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The Wine Spectator California Winemen Oral History Series

Richard L. Arrowood

SONOMA COUNTY WINEMAKING: CHATEAU ST. JEAN AND ARROWOOD VINEYARDS & WINERY

Interviews Conducted by Carole Hicke in 1995 and 1996 Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the Nation. Oral history is a method of collecting historical information through tape-recorded interviews between a narrator with firsthand knowledge of historically significant events and a well-informed interviewer, with the goal of preserving substantive additions to the historical record. The tape recording is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The corrected manuscript is indexed, bound with photographs and illustrative materials, and placed in The Bancroft Library at the University of California, Berkeley, and in other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

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Richard L. Arrowood and Alis Demers Arrowood, ca. 1990.

Cataloging Information

ARROWOOD, Richard L. (b. 1945)

Winery Owner and Winemaster

Sonoma County Winemaking: Chateau St. Jean and Arrowood Vineyards & Winery, 1996, viii, 140 pp.

Early career at Korbel Champagne Cellars, Italian Swiss Colony, Sonoma Vineyards; winemaker, Chateau St. Jean: winery start-up, growth, vineyard-designated labels, Chardonnay, Late Harvest Riesling; sale to Suntory Corp. and working with the Japanese; Arrowood Vineyards: founding in 1986; building the winery, winemaking and vineyard management, Domaine du Grand Archer, Smothers Bros., financing growth; discusses cooperage, bottles, and corks, small and large wineries. Includes interview with Alis Arrowood (b. 1951) on marketing and public relations.

Interviewed in 1995-1996 by Carole Hicke for the Wine Spectator California Wine Oral History Series, Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

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#### PREFACE

The California wine industry oral history series, a project of the Regional Oral History Office, was initiated by Ruth Teiser in 1969 through the action and with the financing of the Wine Advisory Board, a state marketing order organization which ceased operation in 1975. In 1983 it was reinstituted as The Wine Spectator California Winemen Oral History Series with donations from The Wine Spectator Scholarship Foundation. The selection of those to be interviewed has been made by a committee consisting of the director of The Bancroft Library, University of California, Berkeley; John A. De Luca, president of the Wine Institute, the statewide winery organization; Maynard A. Amerine, Emeritus Professor of Viticulture and Enology, University of California, Davis; the current chairman of the board of directors of the Wine Institute; Carole Hicke, series project director; and Marvin R. Shanken, trustee of The Wine Spectator Scholarship Foundation.

Until her death in June 1994, Ruth Teiser was project originator, initiator, director, and conductor of the greater part of the oral histories. Her book, <u>Winemaking in California</u>, co-authored with Catherine Harroun and published in 1982, was the product of more than forty years of research, interviewing, and photographing. (Those wine history files are now in The Bancroft Library for researcher use.) Ruth Teiser's expertise and knowledge of the wine industry contributed significantly to the documenting of its history in this series.

The purpose of the series is to record and preserve information on California grape growing and winemaking that has existed only in the memories of wine men. In some cases their recollections go back to the early years of this century, before Prohibition. These recollections are of particular value because the Prohibition period saw the disruption of not only the industry itself but also the orderly recording and preservation of records of its activities. Little has been written about the industry from late in the last century until Repeal. There is a real paucity of information on the Prohibition years (1920-1933), although some commercial winemaking did continue under supervision of the Prohibition Department. The material in this series on that period, as well as the discussion of the remarkable development of the wine industry in subsequent years will be of aid to historians. Of particular value is the fact that frequently several individuals have discussed the same subjects and events or expressed opinions on the same ideas, each from his or her own point of view.

Research underlying the interviews has been conducted principally in the University libraries at Berkeley and Davis, the California State Library, and in the library of the Wine Institute, which has made its collection of materials readily available for the purpose.

The Regional Oral History Office was established to tape record autobiographical interviews with persons who have contributed significantly to recent California history. The office is headed by Willa K. Baum and is under the administrative supervision of The Bancroft Library.

Carole Hicke
Project Director
The Wine Spectator California Winemen
Oral History Series

July 1994 Regional Oral History Office The Bancroft Library University of California, Berkeley

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## INTERVIEW HISTORY--Richard L. Arrowood

Richard Arrowood, owner and winemaster of Arrowood Vineyards and Winery, was interviewed as part of the Wine Spectator's California Wine Oral History Series to document his career and contributions to the history of California wines. His wife, Alis Arrowood, was also interviewed as part of this oral history to record her work in the marketing and distribution field.

Dick Arrowood made a name for himself as winemaker for the Chateau St. Jean winery in the 1970s and 1980s. As that winery's first employee, he was instrumental in its growth and recognition. In 1986 he and Alis invested in property near Glen Ellen, California, and built the Arrowood Vineyards. Richard talked candidly and occasionally vehemently about the growing of fine wines and the making of a top-quality winery. His experiences inform the reader of the many aspects of winegrowing that require care and expertise--not just producing the wines but managing the business.

Alis detailed the role of the marketing and distribution manager, including her normal daily routine when on the road.

Dick and Alis were interviewed in their offices at the beautiful winery they built near Glen Ellen in the Sonoma Valley. Dick was interviewed on August 24, November 13, 1995, and February 7, 1996. Alis's recollections were recorded on February 7, 1996. Both reviewed their transcripts carefully and made corrections that clarified their statements.

This series is part of the ongoing documenting of California history by the Regional Oral History Office, which is under the direction of Willa Baum, Division Head, and under the administrative direction of The Bancroft Library, University of California, Berkeley.

Carole Hicke Project Director

July 29, 1996 Regional Oral History Office Berkeley, California

University of California Berkeley, California 94720

## BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

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Occupation December Birthplace Santa Posa, Calif.
Mother's full name Donna Le Arrowood
Occupation Deceased Birthplace Senta Posa, Call.
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personel
Other interests or activities <u>Travel</u> gardening and fishing
reading
Organizations in which you are active Donoma Valley Vintners
and Sonoma County Winerice Osonciation

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#### I BACKGROUND AND FAMILY

[Interview 1: August 24, 1995]##1

## Vanoni Family

Hicke: Let's just start out this morning with when and where you were

born.

Arrowood: I was born in San Francisco, California, on December 9, 1945.

Well, a real Californian! Hicke:

You bet, yes. As a matter of fact, that was really the only Arrowood:

> time I was to spend any time out of the north coast area. I consider myself a Sonoma County native, so of my forty-nine years, I've probably lived in, actually in the Santa Rosa vicinity and Sonoma County, for forty-seven and a half of those

forty-nine years.

Hicke: Okay, so you moved out early. But before we get into that, let

me ask you what you can tell me about your forebears, your

ancestors.

Arrowood: I'm just going to give you what was told to me. Some of this

I've seen in writing, not all of it, looking back to my

grandfather and great-grandfather and grandmother and great-

grandmother.

My ancestry on my mother's side is Swiss Italian.

Hicke: What was her name?

This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Arrowood: Vanoni [spells].

Hicke: That was her last name?

Arrowood: That was her maiden name, right.

Hicke: And her first name?

Arrowood: Donna.

Hicke: Well, you were about to tell me about your grandfather and

great-grandfather.

Arrowood: Yes. My great-great-grandfather was one of the original

founders--with a group, I think, the growers group--of Italian Swiss Colony Winery. But I don't have all the details. That really had no influence on me getting into the business, but that was my understanding that Mark Vanoni, when he came off the

boat from Italy, was one of the original founders there.

Hicke: He came from what part of Italy?

Arrowood: Lake Como area, right on the Switzerland-Italy border.

Hicke: He was Italian Swiss!

Arrowood: Yes, exactly.

Hicke: Very appropriate. Okay, so he must have come before the turn of

the century, I guess.

Arrowood: Yes, back in the late 1800s, and again, I don't have all the

details of that. I'm just trying to think who might if you really wanted to get that information, but it would probably bethere still are some Vanonis living up in Geyserville, which is where they were originally settled. They had the Vanoni Ranch up there. So my grandfather, Al Vanoni, which was my mother's father, had a shop in Geyserville, as a matter of fact. That picture [points to picture] is one of the shops in the early

1920s.

Hicke: A machine shop?

Arrowood: He had a machine shop, and then he also was a deputy sheriff,

and also the poundmaster in Sonoma County for a period of time.

Hicke: Poundmaster?

Arrowood: Yes. That's the animal control officer. At that time they were called poundmasters.

Hicke: On this ranch that your great-grandfather--it was your great-grandfather?

Arrowood: Yes, the Vanoni Ranch.

Hicke: Was he growing grapes?

Arrowood: You know, I don't know what they had on the ranch. No, I think it was a cattle ranch, if I'm not mistaken, at the time. But again, to find some of that history out, you'd probably have to get into some of the Sonoma County archives. I know that Clement Vanoni, Jr., is still alive and lives on part of the ranch. They sold a good part of it. It's now known as The Vineyard in Geyserville, and that was the old Vanoni Ranch. But a lot of that information, again, I just don't have.

Now, interestingly enough, my grandmother and grandfather are still alive. My mother and father have passed away. My grandfather probably is not going to make it much longer. I saw him the other day; he's very, very old. But my grandmother is eighty-eight years old and looks like she's about seventy. She's very alert and very aware of what's going on. So that's really, as far as on my mother's side anyway, the family that's left alive.

## Arrowood Clan

Arrowood: On my father's side, there's really only one member of the Arrowood clan--his sister is still alive, my aunt. She lives in Santa Rosa. But other than that, they're all gone.

Hicke: Where did they come from?

Arrowood: Originally from Modoc County, and then they settled here in Santa Rosa. My grandmother on my father's side, my father's mother, her maiden name was Mulkey [spells]. She married Jay Arrowood, and Jay was originally from Savannah, Georgia.

Hicke: That's amazing. You have family on both sides that have been Californians for generations.

Arrowood: Yes, for quite some time. That's right.

Hicke: Jay Arrowood was your grandfather, you said.

Arrowood: That was my grandfather; that was my father's father.

Hicke: Why did he move to Sonoma?

Arrowood: Good question. I really don't know. I know he worked at

Arragonies Market in Santa Rosa. As a matter of fact, that's my grandfather, my father's father, so on my father's side, that's

my grandfather. [points to picture]

Hicke: Oh, these pictures are wonderful.

Arrowood: And my grandmother here. And then my grandfather on my mother's side here in the navy. You have to dig through some of the old

records to find out just all the details, but I'm only recalling

it as well as I can remember as a youngster.

Hicke: Okay, so back to San Francisco. You lived there until you were

about two?

there.

Arrowood: I think actually--I don't know all the details on the San

Francisco thing--I think I was only there for just a few months, and then my mother moved here to Sonoma County. You see, my background is a little different than usual. My father, Clyde Arrowood, is not my paternal father. My paternal father is a man by the name of Kenneth Jensen, and the last time I talked to him was when I was still in college, so it's been that long--but I believe he's still alive, as far as I know, and lives in Madison, Wisconsin. So that's the other side of my family. I really don't know a lot of the details of that side, because when my mother and father split, I was young enough where I didn't realize what that scenario was. I know that he was in the coast guard when my mom and dad got married originally. So that part of the family aspect is kind of in the background

Then when the man I consider my father adopted me, my name changed from Jensen to Arrowood. So that was back when I was three or four or whatever age I was then.

## Growing Up in Santa Rosa

Hicke: What part of Sonoma did you grow up in?

Arrowood: I grew up in Santa Rosa.

Hicke: You said that, yes. Okay. You went to school there, high school?

Arrowood: Went to school there, you bet. As a matter of fact, the funny part of this whole school thing is that Alexander Valley School, which is now owned by Alexander Valley Vineyards—they have it as a guest house—both my mother and my grandmother went to class in that little school, and when I went to high school in Santa Rosa, I had the same English teacher that taught both my grandmother and my mother English.

Hicke: Good heavens!

Arrowood: Yes. That's kind of amazing. I'm sure she's long gone by now.

Hicke: Oh, that is amazing. I've heard of people following their brothers and sisters, but not too many who have followed their grandmothers.

Now, what things did you like about school?

Arrowood: Oh, I think from the beginning, I've always been one of these curious kids, so when I got my first chemistry set when I was twelve, that became my area of focus, so I always enjoyed the sciences. After I went through the grammar school era, went to Santa Rosa Junior High School, Santa Rosa High School, Santa Rosa Junior College, I then went off to college at Cal[ifornia] State University, Sacramento, and got my degree in chemistry. Then I did my graduate work in fermentation science at Cal State University, Fresno. Because my father was a good friend of Adolph Heck, who owned Korbel Champagne Cellars, my first job in the wine business in 1965 was at Korbel.

#### College and University Education

Hicke: That's a good overview. Now let's back up a little bit. Were there any teachers--let's go back to high school and ask about any teachers you particularly remember.

Arrowood: Well, high school teachers? Probably none that I could point a finger to and say yes, they really motivated me. I think probably it didn't really occur--my motivation in following the sciences and chemistry probably didn't occur really until I got into junior college. There were two people that impacted me, I think, very well there. There was a fellow by the name of Glen Watson, Glen W. Watson. He was a chemistry professor and

department head. And then also a fellow by the name of Vincent Cucuzza [spells]. He also was a very strong influence. He was a chemistry professor also. Both of these gentlemen, I think, in their own ways, influenced me enough to want to pursue the career that I did; so after I got my degree in chemistry, I then decided, Well, okay, I'll do my work in fermentation science, because of the fact that I had a summertime job at a winery and I felt it was a very interesting career field.

But I think that their influence on me was probably to the extent of showing me, "Hey, look, you can do just about anything you want to do." If you've got the drive, the gray matter is there, if you really want to do it. But you've got to work on it. Sciences came relatively easy to me. My biggest problem I think in school was I just didn't spend much time in the humanities. I had no time for that. I was always kind of a resentful kid that all the people in humanities and sociology never had to take chemistry, but all the people in chemistry, of course, had to take the "damn sociology" and things like that, that meant nothing to me then.

Unfortunately, today I wish I had taken more interest in that, because obviously that's what makes the world go around and how you get along with people better, and I think it would have perhaps given me a different outlook. At the time, I was really, again, into the sciences, and so that was my major area of focus, and everything else wasn't important to me. But you evolve and you grow and you mature out of that scenario.

Hicke:

Yes. It's probably easier to learn that aspect of things by yourself than it would be chemistry.

Arrowood:

Yes, I suppose. But like anything else, if you would have realized the usefulness that was there--. The problem is, much of the rote material that was being taught at the time was so damn dreadfully dry and boring that you couldn't see any relationship to what you could use this for, let alone what the heck I'd ever use this for in life. And that's a shame, because there are people out there who can teach and are very effective at it and can bring your interest to the forefront. Hence the examples of Glen Watson and Vince Cucuzza. These were people who could pique my interest, and it was always more fascinating with their input. It became more interesting, and I enjoyed it.

Hicke:

Well, you've just described very well why I like to ask about influential teachers, because I think you're absolutely right: I think they can make or break a subject, and a lot of them have attracted students into a specific field.

Arrowood:

Absolutely true. The shade is either up or it's down, and you can tell the people who are there to teach because they're finishing their Ph.D. dissertation or whatever they're doing, and they couldn't care less about the students. The shade's down. You can tell, on the other side of the coin, about the people that can explain things to you. I once had, I rememberthis is a side issue—a problem in chemistry that I worked up, and I did all the formulas right, and I did the calculations correctly, but I slipped a decimal point at the very end. So when I turned it in, Professor Watson gave it back to me and took 50 percent off.

I went to him and said, "You know, you've got to be out of your mind! It doesn't seem fair. It's almost all correct! I just made a decimal--" He cut me off and said, "All right, all right, all right. That's fair. So what I'm going to do is I'd like to borrow \$100 from you today. Have you got \$100? Could you loan me that? I'll pay it back to you." I said, "All right, so if I give you \$100?" He said, "Yes, you give me \$100, and then tomorrow I'll pay you back \$10. It's just a decimal point. That's the only difference." Needless to say, I had little with which to defend my original position.

And what he taught me, not just by that statement, but what he was trying to show is that you have to look at something logical. Is it a milliliter or is it an ocean? Is it logical? And that's what's always worked for me in my life, that I may not always know the precise answer, but I know it's either 1,000 gallons or 100,000 gallons of wine, or it's one gallon of wine or 1,000 gallons. Is the answer going to come up where the logic comes in? And that was taught to me, I think, very effectively.

He was an interesting guy. He worked on the Manhattan Project, was an assistant in that. Worked at the Los Alamos [Laboratories] as one of the chemists there during the war years in development of the first and second atomic bombs. He was an interesting guy and had a lot of interesting stories, and always kept me fascinated. He was sort of like the uncle that I wish I had, so to speak.

Hicke: Great teacher to have. He really sounds good.

Arrowood: Yes, definitely.

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#### II DEVELOPING A KNOWLEDGE OF WINE

## Summer Work at Korbel Champagne Cellars, 1965

Hicke: Well, you mentioned that you had a summer job in a winery? When was this, and where was it?

Arrowood: Yes. July of '65 was my first year in the industry, and I got a job at Korbel Champagne Cellars, and worked for a fellow by the name of Allan Hemphill, who was actually the first graduate from Cal[ifornia] State University, Fresno, in enology. He worked for Adolph Heck. As a matter of fact, he was married to Adolph's daughter. Up until the time she was killed and a little bit after that, Allan was the production manager at Korbel Champagne Cellars. Because my father was a very good friend of Adolph Heck's, I kept bugging Adolph every time he'd come over, "Can I get a job in the winery? I'd sure like to work in the laboratory. Can I get a job? Can I get a job?"

So he finally gave me a job through Allan. He just said, "Go talk to Allan, and Allan will take care of you." Allan said, "Well, I don't need anybody in the lab right now. But what I really need is somebody in the cellar. If you'd like to come work, we'll put you to work in the cellar." So I got a chance to learn the wine business essentially from—the first job I had, I think, was cleaning out the men's room! And from there to the bottling line, to champagne disgorging, and bottling line, and riddling, and the whole shot. It gave me an opportunity, I think, to learn the business from the ground up.

There is very little in our winery today that I can't do, so I feel comfortable--I'm a winemaker by trade, but in addition I have the chemistry background so that if I have to do lab work, I can do lab work. A lot of winemakers hate that aspect of it, and a lot of chemists, of course, a lot of laboratory people don't like the winemaking aspect of it. Well, I had a

chance to do all of those things, and if you're in the wine business and understand that, as a winery owner--I eventually became a winery owner--it gives you a lot more. To me, a better broad brush-stroke on the overall business aspect, so you really can see what's going on, and you're not just focused on one thing. I think it makes you a better manager.

Hicke: Well, let me go back and ask, did you drink wine in your family growing up?

Arrowood: Oh, you know, we did a little, but I'm ashamed to say it was mostly special occasions. My mother and father were of the forties, fifties, and sixties, so during that time when you came home from work, you usually had an Old-Fashioned or a Martini or two. My parents weren't big drinkers, but that's what they drank; if they wanted to relax, they'd have a Martini or an Old-Fashioned, and there it was. Easter, Christmas, Thanksgiving, special occasions, birthdays and things, a bottle of wine would come out, but not a tremendous amount of knowledge as far as wine was concerned. So when I got in the business, there was nothing in the family that led me to know anything about the wine business per se. Everything I learned had to be taught to me by either the hands-on experience or in school, or both.

Hicke: Did you acquire an interest in wine before you went to Fresno?

Arrowood: Yes, definitely. I was still going to school at Sacramento when I was working at Korbel. I graduated in '68 from Cal State Sacramento, and then '68-'69 went to Fresno and did my graduate work there.

My interest in wine was really just from the experience that I'd had at the Korbel winery, and my palate was far from developed at that particular point but in fact was just in the infant stages of developing. Because I had a chance to have hands-on experience, when I did take my enology courses at Fresno, I had a little bit of a leg up on many of the other students because I'd already worked in the business, so I had an understanding of what--I didn't know it all, but at least I had an idea of what was going on, and it kind of tied in the academic aspect of it to the practical aspect of it and made it fit pretty well for me.

Hicke: You had really been interested in the business itself more than in wine or wine-drinking?

Arrowood: No, I think to be honest with you, for the first part of it, I was more interested in the laboratory, chemistry aspect of it. The chemistry of winemaking seemed to be very fascinating to me.

But again, as you mature, I knew at one time that I might not want to be in a laboratory all my life, so I'd better pay attention to what production is all about. And in production, you can express yourself more because winemaking is a combination of both technology and art form. It's about 10 percent technology and about 90 percent art form. People who are in the science aspect of it might like to reverse that, but the fact of the matter is it really is an art form. You're going to be much better off if you have the technology to make it happen for you, and to understand, to sidestep some of the pitfalls that people tend to step into on occasion, but you really don't need that training to still make a fine bottle of wine. It just helps.

# Studies at California State University, Fresno, 1968-1969

Hicke: Who were some of the people you studied under at Fresno?

Arrowood: Fresno was one of those crazy places that at the time, in enology anyway--viticulture is a different story--but in the enology aspects of it, a Professor Dick Norton was the fellow that was in charge. Dick was a pretty easygoing professor. You learned if you wanted to learn on your own. It was a very practical, not so much academic-type aspect of the enological learning experience, so much as it was just a hands-on, of course, operational, small little winery. A winery that again Allan Hemphill at Korbel helped set up there and put together. Even at that time when Allan was going to school, I think--Joe Heitz was teaching there, if I'm not mistaken. You'd have to check that with Allan Hemphill to have him give you some details.

But when I was there, it was Dick Norton who was just a nice, crazy, easygoing guy. I'm not so sure he was any type of a mentor or authority figure that I would want to mimic. [laughs] He was just a little bit too loose for me in that regard.

Probably the most influence of any person that I could say at Cal State Fresno was Vince Petrucci, and Vince taught me viticulture. I really felt that I picked up a lot more in the viticulture end of things. The enology I picked up a good chunk at Korbel under Allan's tutelage. Yes, there were more things that I was interested in the enology aspect, but Petrucci was one of these guys who could make it fun and interesting for you, and the practical aspect of farming your own little acre of

vineyard, and so on and so forth. That was very pleasant and I enjoyed that. And it certainly helped me learn that aspect of the wine business.

But Fresno is certainly now an academic force, with Dr. Müller and Fugelslang there and several other people that are now intimately involved in the operation. Vince Petrucci, I think, has just retired. He's a great guy, and I see him on occasion at different functions. I've always had a great admiration for him, because he's a real earthy, family-man guy. Just very pleasant to be around. Always enjoyed him, always dependable, would answer your question when you had a question, had great stories, and I think that's what teaching is about. Again, it's back to the old statement, "the relationship." If you can relate your experiences, your life experience to somebody else, that's how you get to "where does it apply?" Where does it make sense? And that's part and parcel of why it works. Professor Petrucci could do that.

Hicke: Okay. So he really introduced you to the viticulture side of things?

Arrowood: Yes, the viticultural end. But of course, what is winemaking anyway? Winemaking is grapegrowing. You don't make great wines from poor grapes. You can make poor wines from great grapes, but you can't start with the raw material the way it is and improve it. Winemaking begins in the soil, and that's what you really have to pay attention to is where the grapes are grown; the geologic and geographic considerations have to be taken into account. You have to take into account crop levels and all the other things that go along with it.

It's great if you say, "Well, I've got the grapes and now I'm a winemaker." Well, in reality, the Good Lord--nature--Mother Nature is the winemaker. You just act as a custodian. Whatever's there, whatever comes in that little round ball when it's brought to the winery, that's what you've got to start with. You cannot make it better. You can keep it the same, but you can't make it any better.

Hicke: This is a reasonably new way of looking at things, isn't it?

Arrowood: Oh, I think I've always kind of looked at it that way.

Hicke: I'm not talking about you, but like decades ago--

Arrowood: Yes, they always thought, Well, we can manipulate this and do that. But it's like anything else: you just have to believe that if somebody is growing Merlot and they're bringing it in at

eight or nine tons to the acre versus somebody growing Merlot at two to three to four tons for the acre, I promise you one will have a lot more concentration than the other, and one will have a lot more flavor interest than the other. They will both be Merlot, and they'll both be wine, but one will just taste better than the other. Again, this goes back to the fact that wine is made in the vineyard. Another way to say it is that the winemaker is obliged to make sure the vineyard yielding the grapes—the complexity of flavors and textures—are all in balance.

I think this was Petrucci's major theory, and I've always believed it. It sounds a bit trite, and people don't always follow it but the simple theory is that a given vine on a given piece of ground in a given year can give you or will yield, a given quantity of quality fruit; period. It's a known quantity. In other words, if the vine's energy can be channeled to produce five pounds or seven pounds or fifteen pounds of great fruit, and you try to push that more than that, you'll get more fruit, you can do that, but you won't get more quality fruit.

Hicke: So was he interested in trellising and--

Arrowood: Oh, absolutely. I think that's where--unfortunately, I was at school at the time when trellising was just starting to be experimented with. So most of that information that I picked up came from within the industry, which is fine. The wine industry is a continual learning classroom every day. But that was just starting to be looked at, and I think he was certainly in the forefront of that research and of that development.

Hicke: Were there any other summer jobs that you had that are of importance?

Arrowood: No. Before I went to work for Korbel, I had a summer job in Santa Rosa working in a pharmacy, a couple of pharmacies. Not that that's any big deal. My first job when I was a kid in Santa Rosa was at Empire Drug Store in downtown Santa Rosa. God, that was so many years ago. That was owned by John Carico [spells]. Then that shop was bought out by--they moved a Rexall Drug Company right next to the five-and-dime there on Fourth Street. Then it was bought by Merle Bartel [spells]. I don't know what happened to Merle; I think he's moved someplace else now. But there were only a couple of drugstores right there on Fourth Street, which was Farmer Brothers and Empire Drug. I used to do a lot of the deliveries and that kind of stuff, a stockboy; if you will.

But I always enjoyed the pharmacy aspect, because of the chemistry connection, and I always enjoyed that. That was

always fascinating to me. You could look up on the shelf--I still to this day, think back on it--but I could go down the list and look at the drugs and tell you what each one was used for. I'd ask the pharmacist, he'd tell me, and I'd remember it. Totally useless information, but just things that were fascinating to me as a kid. "What kind of a drug is this, and how's it made, and blah blah?" And I worked for people that were always nice enough to share that information.

Hicke: This is a personal opinion, but that makes more sense to me than memorizing baseball statistics.

Arrowood: I suppose! [laughter] Yes, it probably does. But again, typical Fergie's Facts: unless you go into pharmacy or medicine, it's probably not very useful to you. But it was always fascinating to me.

Hicke: Okay. Anything else in the way of a summer job?

Arrowood: No, that was pretty much it. The influence with that.

Hicke: But you learned a lot at Korbel.

Arrowood: Yes. I think that piqued my interest to the point of thinking, Well, there's good application of chemistry here in the wine business, and that part is fascinating. It seemed to be a relatively--enology; although it's a very old science, it was a relatively new, modern science, modern technology science at the time. So I said, Gee, I can get in on the ground floor of this and pick up a few things, so that was why I think I stayed interested in it.

Hicke: What year were you there at Korbel?

Arrowood: I was there from 1965 to 1968. I left in late '68.

Hicke: Oh, I thought this was a summer job. Or it started out as a--

Arrowood: Exactly. What I did was I worked during the summertime and also part-time when I was going to school. They were good enough to let me work full-time in the summer, and then during my session at school, whether it was at Fresno or Santa Rosa Junior College or Sacramento, I'd drive home on the weekends and work there on the weekends. It was great, and I had income coming in.

Hicke: Yes, and you got a lot of experience. I didn't realize you were there for that long a time. Okay, so in '68 you graduated.

Arrowood: Yes, and then I stayed at Korbel for a short period of time, and then I decided to go to Fresno. I was still working at Korbel, working in the summertime and then coming back on weekends. It's a long drive from Fresno, but I did many of those trips, and put a lot of miles on my old Ford. But when you're younger, it doesn't seem to be as much trouble, I don't know. As you get older, it must be a little less pleasing.

Hicke:

Let me just turn the tape over here.



#### III EARLY WORK EXPERIENCE IN WINE INDUSTRY

### Continuing at Korbel, then to Italian Swiss Colony

Arrowood: Once I left Fresno, I felt that when I went to work full-time for Korbel, I had been doing a lot of different things. I was married at the time, to my first wife.

Hicke: What was her name?

Arrowood: Her name was Allison [spells]. Not to be confused with my wife now: her name is Alis [spells]. Quite often, it's kind of weird how these things go, because my wife's first husband's name was Richard. So she could never make a mistake. She could never call me the wrong name. I've never called my wife Allison, but a lot of times she'll get mail that's addressed to Allison Arrowood.

So we were married in September of '68, and then we moved to Guerneville. Actually, finished my work at Fresno, then from Fresno moved back to Guerneville, which was at the end of '69, first part of '70. I don't remember all the details, and it's not that important, but there wasn't enough money coming in from Korbel, and I had a great offer from Joe Vercelli at Italian Swiss Colony, so I took a job there as the chief production chemist working under a fellow by the name of Bob Del Sarto [spells].

I worked there for--oh, gosh, the best part of a year. Then I left Italian Swiss, and my first job really that gave me any chance to be somewhat more creative was with Rod Strong at Sonoma Vineyards. I joined them in 1970 and stayed there until May of '74, when I left and started with Chateau St. Jean with the Merzoian Brothers and Ken Sheffield as its first employee.

Hicke:

Before we get to that, tell me some of the things that you did first at Italian Swiss. What were they doing and what you were doing?

Arrowood:

Production control. I ran the laboratory that did all the testing and analysis in the table wine department; we did the backup analysis for the base wines for the charmant bulk process champagnes; and then also I got a fair amount of experience in the brandy operation. That was very, very good knowledge that I picked up. It didn't necessarily help me further my career but a chance as an enologist to work in a brandy operation, rectification, distillation, and ameliorization was, to me, a very good learning experience. I think a lot of enologists today have no idea how brandy is produced and so on and so forth. I got a chance to pick that up.

The charmant bulk process of sparkling wine production was, I felt, important to learn. I got a chance to learn both the small operations and the large operations and get to see it from many different angles. That helps, and I think that I had a better, more well-rounded education on that basis by working in different venues. Korbel was sizeable, but not the size it is Italian Swiss Colony, of course, is now basically defunct and closed (actually, Chateau Souverain--Wine World still runs an operation there). But at that time, it was a very large operation, multi-million-gallon operation. So it gave me a chance to pick up a fair amount of education in producing wines in obviously larger quantity.

Hicke:

Korbel was obviously using methode champenoise?

Arrowood:

Yes. All bottle fermented, all methode champenoise, versus the charmant bulk process. So one is a real quick turnover process, you are looking at two to three weeks in fermentation, filtration, bottling, whereas Korbel would take a year or more in the bottle. You got a chance to see what the difference was in the quality and type of product produced. But at the time when I was fairly young, I was just happy going from Korbel to Italian Swiss just because there was a fair amount more money offered, and although I wanted to learn more from it, it was like anything else, you--

Hicke:

You've got to eat.

Arrowood: You need to live. So it did seem to help a little bit.

### Joining Rodney Strong Vineyards

Arrowood: When I joined Rod Strong at Sonoma Vineyards, I think Rod gave me a chance to really develop a turning point in my career as far as the idea of what quality production was all about. was and is a very talented winemaker, and what he needed, because he was also trying to grow his business and develop his grapegrowing operation and vineyards and so on and so forth, was somebody to come in and really handle the production aspect of the operation, both from a technical standpoint of view and practical standpoint. I got a chance to do that with him from '70 to '74.

> They had a few problems at that time. Again, this is where the pitfalls are, if you understand sanitation, for instance, and what it takes to bottle a sterile product, especially if you're bottling wines that have a small amount of residual sugar in them. What they were having happen at the time was a fair amount of their bottles were re-fermenting. They'd bottle the wine, and the damn thing would re-ferment with spoilage yeast, because they weren't sterilizing the wine or the equipment properly. The fellow that they had running it -- I'll choose not to use his name--but he was a total boob, just a total idiot. came in and had a chance to really fix the problem.

Hicke:

You spotted that problem?

Arrowood:

Right away, and said, "Okay, here's how we can do it," and fixed it for him. Unfortunately, by the time I'd got there, they had already bottled about 25,000, 30,000 cases of wine, all of which had to be cork-pulled and dumped and reprocessed, which was very expensive. But we didn't have another case of that problem occurring again to my knowledge. I've never had a bottle of wine spoil on me since that time and I've actually never had a bottle of wine spoil or re-ferment in the bottle that wasn't supposed to--vis-a-vis champagne, etc.

That's where the technology comes in. The art form is important; you really had better understand it, but you also have to know where are the pitfalls, so the schooling helped me a lot there. I went through the whole bottling system and said, "Okay, take all this apart." They had bottling machines and the filler, the damn thing was held to the base with this leather gasket--acted like a sponge in soaking up micro-organisms--but they said, "Well, we sterilize it with 140-degree water."

I said, "Well, look, in 140-degree water, yeast just--it's almost like a hot tub for them, and they love that. They just

get stronger. You need at least 175-, 180-, preferably, degree water to sterilize the system, and more like 190 is ideal." And plus the fact that the way the things were put together, as I said, there was a big old piece of--I remember looking at this thing. There was a leather gasket in the middle of the filler, and when you took this thing off, I could have started the harvest for the whole world with this leather gasket, it was so loaded with yeast. You could never sterilize it. And of course, every time you put liquid in it, it would just reinoculate everything that came in contact with it.

So we got rid of that, put a Teflon gasket in it, and it took care of it for them. All of a sudden, there was no problem. So they thought it was magic. I just thought it was obvious.

Hicke: Well, it was magic for them.

Arrowood: Yes. So that worked for several years. Rod and I have stayed close friends to date. He's a great guy, and of course has a tremendous amount of talent and sophistication. Rod's background, I don't know if you've had a chance to ever interview him--

Hicke: I have interviewed him.

Arrowood: Okay, you know what he is.

Hicke: Yes. He's a fabulous guy.

Arrowood: Very articulate, and just a super guy. I had an interesting tenure with him, because he helped me mature a little bit at the time. I've never forgotten that. He was a very, very good influence on me.

Hicke: Yes. He seems to be a very well-liked person.

Arrowood: Very much so. Very much so.

Hicke: Well, that was during the time also when there was a little dip in the wine business, wasn't there?

Arrowood: Yes. That was when the slide started. Of course, Rod, unfortunately at that time, was just getting ready to go public with the company, it was in the early seventies I think. Unfortunately, he got mixed in with some real wheeler-dealers. One of his partners I still have a lot of respect for today was Peter Friedman. He and Peter, I know, got along very well. But

there were a couple of other guys involved who I really think were not out to see that the operation was successfully built.

So just before I left Sonoma Vineyards, I was promoted to vice president of production. And for a kid--let's see, at that time I would have been twenty-five--it was a big move for me. I was very pleased that that had happened as it gave me my first introduction into the wine business world.



#### IV WINEMAKER FOR CHATEAU ST. JEAN

#### Startup

Arrowood: That gave me the stepping stone so that when the chance came to work with the owners of Chateau St. Jean, that was a natural next step. Now, that kind of happened in a very funny way. I met the owners through a--as a matter of fact, how this all happened is my closest friend, my best friend, Dr. John Renfree [spells], who delivered both my daughters. He's a local doctor here in town. In 1970, my wife Allison was pregnant with our first daughter, Holly, and she was going to another doctor in town. He was out of town, when she went into labor, so I took her to Memorial Hospital, and on call for him was a Dr. Renfree. So John delivered Holly.

We just got talking. He wanted to know what business I was in, and I told him the wine business. Oh, my goodness, he was so excited, and he asked me, "Have you ever heard of a wine called Lambrusco?" And I thought, Oh, God. [laughter] Jeez. "Yeah, I have heard of that." I said, "Yes, it is a great wine, but we can do better than that."

To make a long story short, one thing developed into the next, and John said, "You know, you're a young guy," so I was twenty-five, twenty-six at the time. He said, "You're a young guy coming up in the world. Why don't you join me at the 20-30 Club? I'm a member there." He just had come into town, practicing physician, an OB/GYN--

Hicke: Is this Sonoma now?

Arrowood: This is all in Santa Rosa. So I went to what was then a restaurant called the Black Forest, and again this was in 1970. I joined John as a guest at lunch. John unfortunately had a delivery to make, so he was a little late coming, and I met

another fellow whom he'd set up to greet me, a guy by the name of Drew Juvinall [spells]. Drew was one of these outgoing, very fascinating guys, I mean, he'd make you crazy, just--very funny, he had a great sense of humor, and a nice guy.

So we started talking, "What do you do?" I told him I was a winemaker. "Oh, do you know--I've got some good friends down in the San Joaquin Valley. They're going to build a winery someday." I said, "Oh, really?" He said, "Yeah, named Merzoians [spells], Bob and Ed Merzoian, and an old friend of mine, Ken Sheffield. They've got a large table grape and wine grape operation down in the San Joaquin Valley. You ought to meet them someday." I said, "Sure, I'd like to do that." Well, one day he called me up at the office. "Can you get the day off tomorrow?" I said, "Possibly. What did you have in mind?" He said, "Do you want to fly down to the San Joaquin Valley?" I said, "Well, let's see, I've got a San Francisco airport flight schedule--" "Oh, no," he said, "we've got a local private plane up here, we'll fly on down."

So that's what we did. We flew on down to the San Joaquin Valley and he introduced me to Bob, Ed, and Ken--Bob and Ed Merzoian and Ken Sheffield. To make a long story a little longer--?

Hicke: Sure. That's what we're here for.

Arrowood: They were interested in building a "world-class" winery. I've heard these stories before. I said, "Well, okay, when you get to that point, let me know." So I went down there a second time to visit with them, and they wanted to know if I'd be interested in joining their company if they developed a winery. I said, "Well, perhaps." But first they had to find a piece of property up here in Sonoma County.

So they had Drew, who was in the real estate business at the time, look for the property for them.

Hicke: They weren't going to make it in the San Joaquin Valley?

Arrowood: No. They wanted to come up here and grow grapes up here. They sold all their grapes primarily to Gallo and to Setrakian and to a few other places in the San Joaquin Valley.

How this thing kind of came together is that they found--Drew eventually in 1973 found a piece of property called the Goff [spells] Estate. The old Goff Estate is where Chateau St. Jean sits right now. It is the chateau of Chateau St. Jean. So they made an offer on the property with contingencies, which was promptly rejected by the court because it was a trust sale. At that time it was 269 acres of property, and they wanted to buy the whole thing, and I think they offered--I forget what the heck it was--the asking price was around \$475,000, and I think they offered \$465,000 for it, thereabouts, but it had too many contingencies on it.

So I guess they put their heads together. The table grape business was doing okay, but it wasn't doing as well as they hoped it would do. They managed to put enough financing together to buy the piece of property for an all cash sale. It was kind of funny how this thing came down, because Ezra Goff, who is still alive, to my knowledge, lives above the chateau, is kind of a funny old guy. He tried to stop the sale. He wanted to sell it to somebody else. He came into court the day it was supposed to go through, and he said, "I've got another offer." The judge says, "Well, let's see it." He says, "Well, it's verbal." The judge says, "Well, that isn't going to do it. If you can get the offer in here in the next couple of hours, I'll stay the execution of the sale. Otherwise it's a cash deal." Wells Fargo I think was acting as trustee for the estate.

To make a long story again even longer, it got fairly twisty and turny. Ezra couldn't come up with the actual sale, but as it turned out--[telephone interruption] The judge sold it, but Ezra, one of the deals he was trying to make was that the Smothers brothers were looking at the estate, wanted to turn it into sort of like a tennis ranch or something, and Dick and Tom were taking a look at it.

Well, as luck would have it, my father was in the title business. He had been a loan officer, but he was an escrow officer and vice president of Northwestern Title Company at the time. He did the escrow work for Pat Paulsen when Pat bought his vineyard up in Cloverdale, and my dad was introduced to Pat Paulsen. Well, of course, Pat Paulsen and the Smothers brothers go way, way back.

As it happened, through Pat Paulsen I met Tom and Dick Smothers and we've been friends (as a matter of fact, I make their wine for them) with them for years.

Hicke: Yes, I noticed that on some of your labels it says Smothers Brothers. I'm glad to get this story.

Arrowood: That's how the story kind of came about. I see Dick Smothers on occasion. Dick lives in Virginia, but Tom lives right here in Kenwood, so I see or hear from Tom and his wife, Marcy, usually a couple of times a month. They didn't have the cash to get the

chateau in one piece, the Merzoians did and got the chateau and decided to build the winery from there.

Hicke: So the Smothers brothers lost out.

Arrowood: They lost out in that "particular" deal. There was another person in the bidding too, but they couldn't put it together. So later on, we became friends. It just happened several months after the deal was consummated.

Once the Merzoians owned the property, they went ahead to proceed to build the winery. At that time--that was 1974, the sale took place in October of '73--so early '74, they came to me when I was still at Sonoma Vineyards with Rod Strong and they said, "We want you to come to work as our winemaker." "I just got promoted to vice president," I remember saying, "so I think I'll probably stay here. I don't know if I want to leave."

They said, "Well, maybe we'll go to Europe and pick up a European winemaker." I said, "Well, if you want some help, I'll be happy to help you with anybody you select, if you want me to talk to them and see what their knowledge is." I guess they looked around and they couldn't find the person they really wanted. They came back to me and said, "Look. What do you want?" I said, "What do you mean, what do I want?" It was one of those things. "We really want to have you for our first employee, the winemaker here," and so on and so forth.

So we made a deal, and I left Sonoma Vineyards, and with Rod's blessing; Rod understood and was happy for me--I don't know about happy to see me go, but he was happy for me.

Hicke: Let me stop you just a minute. Why did they want a European winemaker?

Arrowood: Well, they were thinking that might work better. A lot of European winemakers come over, and they were trying to be as avant-garde as possible to try to really get somebody that—they wanted to build a world-class winery to make world-class wines, and that was their whole reason of developing the new winery to be known as Chateau St. Jean.

You've got to remember that the Merzoians liked to do things in a big way, but as splashy as they sometimes were, they were very good people, very nice people. Ed's passed away; Bob's still alive, and of course Ken's still alive. (He lives in Florida and we talk on occasion.) But they really wanted to

do something first class, and they wanted to develop a premier class operation, about 30,000-, 35,000-case winery. It is now approaching three quarters of a million cases right now, but anyway, that was the original plan.

Hicke: A European winemaker would have prestige and background and things like that?

Arrowood: Exactly, exactly. That was their idea. So I don't know why they didn't get one; I never did find out the reason behind it, but they wanted to know what it would take to make me join them, so we worked out a deal, hammered out a contract, and went on from there. I joined them officially May of '74 as the first employee.

Hicke: What was your title, just out of curiosity?

Arrowood: It was vice president/winemaster.

Hicke: And I've been interested: what's a winemaster as opposed to a winemaker?

Arrowood: Experience, more than anything. So at that time, I was probably more a vice president/winemaker. My experience was directly in the business five or six years, so I still would have been a winemaker per se, but that's the title that I had, so it was winemaster. Five years from then, no problem, because by that time we'd started to perfect some new ideas and things that put Chateau St. Jean on the map and made it the white wine winery force to deal with in California. But I think the difference-like here, for instance, my title is president and winemaster. We also have a winemaker here who works under me, and he is also the general manager of the cellar and such. I am still a hands-on winemaker; we're both winemakers, but--

Hicke: I can see, you have a winemaker working for you.

Arrowood: Yes, exactly. So if an operation had one, two or three winemakers, it would be two or three winemakers and one winemaster.

Hicke: What did you start out to do there, and what were their goals?

Arrowood: I think their goals again were to produce--the old statement--singularly recognizable world-class wines.

Hicke: How much direction did they give you? Which wines to make and--

Arrowood: Really very little. I worked pretty closely with Ken Sheffield. Ken was, of all the people involved in this operation, the most important of any of them. Ken Sheffield was Ed's brother-inlaw: two brothers, Bob and Ed Merzoian, and brother-in-law Ken Sheffield, and Ed's wife was Jean Merzoian, the "Jean" of Chateau St. Jean.

Hicke: Ah, okay.

Arrowood: And she's still alive.

I worked much closer with Ken, I think, than just about anybody else in the operation. He was a conceptualizer. I think he conceptualized the idea of Chateau St. Jean with Bob and Ed Merzoian. He was the one that put together a lot of the wheels to make things go. He worked with the bankers, trying to get financial support, and at the time, I've got to tell you, this was one of the most difficult and challenging points in time to ever try to borrow a penny to build a winery.

Hicke: Yes, that was right when the banks were turning everybody down.

Arrowood: Nobody wanted to do anything, and they turned everybody down, including the Merzoians. It wasn't until, finally it was First California Bank, I think--I want to say Security Pacific but I think it was First California Bank that actually they got their loan from, or California Bank; that's not critical. If you want those details, I'm sure we can get them; Ken's memory may be better than mine. We were on the verge of--we had the property, we started planting the vineyard, we were working on a very narrow budget.

One of the problems was that they were sending money from the Valley operation up to here to finance the Sonoma County operation. The banks didn't like it. B of A [Bank of America], who was dealing with them, was just giving them nothing but trouble about this. They were also dealing with PCA, Production Credit Association, Farm Credit at the time, and a lot of these things were happening that weren't working.

It wasn't until that first bank came in and helped things along, and then they finally got in with Equitable and Equitable gave them some financing that they needed to make the thing really roll. But up until that time, it was an on-again, offagain type of operation. They never missed my paycheck; I always got my check, and they always honored what they had to do for me, but I admit it was a bit uneasy at times.

We really went through some--I think back to some of the fun times my first wife and I have had in this operation many years ago when the banks wouldn't talk to us and were really putting the prongs to us, and I know that, when I think back about it, the Merzoians probably had to live that same hell that we had to live, only in their own way. They did some things they probably shouldn't have done, but they had a love to do this thing and they wanted to do this operation, and the banks weren't cooperating.

They finally got the financing they needed. We built the first phase of the winery, started in 1975, and completed.

Hicke: Okay. I'd like to hear a little bit more about that. You were involved with that?

Arrowood: From the beginning, yes. I basically worked from the original construction, the first brick and mortar that went into Chateau St. Jean until I left in 1990, when all the major construction had been done at that particular point in time. I worked with the architect and engineer on this, and the architect was a fellow by the name of Richard Keith of Keith and Associates in Santa Rosa. (He was actually an engineer with architects working for him.)

Hicke: Had he built wineries before?

Arrowood: Yes, he had. He'd done Chappellet; let's see, who else had he done? Oh, there were probably a couple of others that he did some work on that I don't recall on the top of my head.

Hicke: Firestone?

Arrowood: I think he did do Firestone, yes, he did.

Hicke: I just interviewed him.

Arrowood: Oh, okay, yes.

Hicke: Recognized the name.

Arrowood: Yes, Richard Keith, he's off in Hawaii someplace doing--he was kind of a wheeler-dealer. So we started out, the first drawings that were done, it was the grand--I mean, this thing was bigger than the Taj Mahal, plus. So they had to kind of pare it down a little bit. For the first five years of operation, we had no tower like you see today. It wasn't until September of '80 that the second phase was completed where the tower went in, and the rest of the winery you see of Chateau St. Jean the way it is

today was built. We had this kind of wall sticking up, with all the tanks on the outside, and the barrel room was enclosed. The chateau, of course, was built in the twenties, so that was there, but no offices. All the offices were temporarily in the chateau. We worked under a one-step-at-a-time type scenario. But it worked.

# Making the Wines

Hicke: And you were aiming for 30,000, is that right?

Arrowood: Yes, 30,000, 35,000 cases, something like that. In 1980, we were probably at about 100,000 cases coming out of the operation. But it was a successful operation. Some of the ideas, for instance, the vineyard-designated [label] idea, that concept--I'd love to tell you it was my own, but it was Ken Sheffield's. Ken's idea it was, and he came to me and said, "What would it take to make the best--" I'm paraphrasing this because I have to recall it, but he wanted to know what it would take to make the best wines. I said, "You've got to start with the best grapes."

"Okay, assuming you've got the best grapes, how does that work?" I said, "Well, you get the best grapes from the different vineyards around and you blend." He said, "What if you didn't blend them?" I said, "Well, then you get the fingerprint and individuality of each vineyard, just like they do in Europe." He said, "Ah-hah. That's what I'm trying to get at. What if we did that?"

I said, "Well, it would cost a fortune." He said, "I didn't ask you how much it would cost." He asked if I could make the best wines that way. I said, "Yes." He said, "I'll worry about getting the finances. You build the best wines you can. Find the best vineyards, build the best wines from the best vineyards. We'll make this a success." That's one of the reasons they were able to sell it for \$40-plus million, because that idea had caught on. We were on top, Chateau St. Jean was on top for many, many, many years. At one time before I left, probably a couple of years before I left, we had won more medals, more gold medals, than any winery in California.

That brag is not because I'm trying to inflate my ego or anything, but it is a fact that we had probably a collection of the finest estates and vineyards in California to deal with.

Hicke: Did you buy all the grapes, or were some of them--

Arrowood: I would say that up until the time I left, we were probably buying 75 to 80 percent. At one time we were buying 100 percent, but we did grow eventually, although the chateau produced somewhere around 20 percent of the total production.

# Allan Hemphill, President of Chateau St. Jean

Hicke: You had some vineyards on the land?

Arrowood: Yes. And then we branched out. As a matter of fact, it kind of tied Allan Hemphill into the picture, who I worked for at Korbel. The Merzoians hired him as president of Chateau St. Jean in late '77, so we got together again. We had always been friends; we had a pretty good relationship all along. Allan and I worked together until after the Japanese bought Chateau St. Jean.

Hicke: When was that?

Arrowood: That was Halloween, October 31st, 1984.

Hicke: Oh, well. We don't want to get there quite yet.

Arrowood: Yes, we'll get back into that. We'll come to that eventually.

Hicke: How and who decided what kind of wines you were going to make?

Arrowood: They pretty much left that to me until Allan joined. Allan and I then worked together on trying to refocus and reposition the winery. At that time, we had a lot of--although I didn't necessarily agree with some of the things Allan was doing, I think it was right for the time, because we were doing about 35, 40 percent red and about 60 to 65 percent white. And because of the great turnover, the quicker turnover time for whites than reds, Allan's idea was to get better cash flow in this company; we need to back off on the reds and focus more on the whites.

As a winemaker, my main concern was to make wine. I didn't have the knowledge of what we were doing as far as financing things, and that wasn't important to me. (Although it well should have been.) I wanted to be a winemaker. See, that's how you grow in this thing. When you have your own business, you learn real fast what it is to run your own business and what finance is all about.

Hicke:

Yes, but that's also what he told you. He told you you were supposed to be in charge of the wines, not to--

Arrowood:

Yes, that was the deal, and that was the thing. So the Merzoians brought Allan on, and Allan-although the good news about Allan, why it was so nice to work with Allan, besides being friends, I think the thing to remember here is Allan was the first graduate in enology from Cal State Fresno. He was the very first. So when I went up to Allan and said, "Hey, I need some more barrels," it wasn't, "What do you need barrels for?" "Okay. You're going to do more Chardonnay? What do you want to do here? What do you think about this?" I could talk to Allan about anything--he could relate to me and I with him. It wasn't talking to somebody in finance. Allan very much understands finance, but the good thing about Allan was that he understood production, and he understood this in such a way that he and I could communicate very effectively.

We probably had the best relationship between a winemaker/vice president and president that's probably ever been in this industry, as far as I'm concerned, because we were both coming from much the same direction. Allan's a very levelheaded, easygoing guy, and if I had a problem, I'd come talk to Allan. It was just that way. It was sort of a father-figure-type scenario, but not so much father figure as perhaps big brother. That really worked out very nicely for me. When I was a kid still going to junior college, typical beer-drinking parties, I'd come home late once too often and--

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Arrowood:

I came home one day a little bit late and the next day--this had happened too many times--all my clothes were out on the front porch. Dad just said, "Hey, it's time to get the hell out, kid," and frankly that was the best thing that ever happened to me. Well, I had no place to go. Allan was kind enough to take me in. His wife, Richie Ann Heck, unfortunately in December had been killed in an automobile accident. That was December of 1965, I think. It was indeed 1965.

Allan was kind enough to take me in, and I lived with him at Santa Nella Winery, right above the winery, for several months, while I was still working at Korbel Winery.

In any event, we became fast friends, and I had and still have a lot of respect for him. Of course, the good news there was I wasn't even twenty-one at the time--I was twenty years old--so it was kind of neat, because if I wanted a beer, I'd get a beer. It was just there. If I wanted a glass of wine, I had

a glass of wine. There wasn't this terrible stigma attached to underage drinking at the time--plus getting drunk was not what it was about.

I also had a lot of respect for not drinking and driving, because although I was no perfect person by any stretch, I didn't think that was very chic. So I treated it fairly carefully. Drinking was never made to be a mysterious thing. It was never forbidden in my folks' home, because they thought if you wanted a drink, as my dad would say, "Have a drink at our house here. You want a glass of wine, you want a beer, you want a drink, have a drink. But if you're going to drink, you're not driving the car." So we always had a healthy respect for that aspect. Allan continued that with me, I think. Gave me a little dose of much needed maturity.

So when Allan came on board at Chateau St. Jean, to get back to that, the adjustment was probably far less, because I had been running the operation more or less by myself, and when Ken and the Merzoians brought Allan in, it was good. They could have brought some other person in that would have not worked, the chemistry would have been bad. But with Allan, it was very good chemistry, so it worked very well. We worked together as a team. It was as good a scenario as I could have hoped for.

The one problem was that the Merzoians and Ken Sheffield lived in Visalia and Porterville, respectively, and obviously that's a long distance from the winery. They leased a Beechcraft King Air turbojet, so they could fly back and forth between Sonoma County and Visalia and Porterville. That plane also, I think, is what contributed to making Chateau St. Jean a market force, because what I used to do was: although we had great wines, our sales force was one of the owner's sons, and he was a nice kid but, you know, drank Pepsi most of the time, and really didn't pick up on a lot of--he's a nice kid, I don't mean to make it sound like belittling him, but he just--

Hicke: Yes, but he wasn't knowledgeable about wines?

Arrowood:

Not terribly. So I kind of had to deal with that problem up here. But the thing that was difficult was the fact that we had great wines, but had to get them to market. In those days, it was really one-on-one type selling. So what I would do is work during the day, and then if I had winemaker dinners in Los Angeles, the plane would come and pick me up, fly on down, do a winemaker dinner promotion, retailer, restaurateur, trade tasting, whatever it was, and then could have me right back late that night, so the next morning I'd be back at the operation again. It really worked very well. I think that probably in a

year, I put in better than 400 hours in that plane, which is a long time.

Hicke: Were you doing everything? Marketing?

Arrowood: Up until Allan got there, yes, a little combination of everything. You bet, market support and all that. That's how we built the brand. I mean, you'd like to think things are a one-man show. They're never a one-man show. I had some very, very able-bodied people, and one of the people that was with me early on, the first person I hired, was Barney Fernandez, who's the viticulturist for Ferrari-Carano [Winery] now. Together Barney and I were a very, very good team, a very good team. Barney is also a very good-we don't see each other very much any more--but was also a very, very good friend. I've always respected Barney a great deal.

# **Varietals**

Hicke: What kind of wines did you start out making?

Arrowood: It was interesting. We actually did our first harvest in 1974, but the winery wasn't built until '75, so how did we do that? Well, what we did was to lease some space; Rod Strong and I got along pretty well still, so I asked Rod, "Hey, could we lease some space and make wine here at Sonoma?" "Sure." So we worked out a deal and worked our first harvest as a custom crush. Our primary wines then were a Cabernet, Chardonnay, and the wine that probably put Chateau St. Jean on the map: a Select Late Harvest Riesling, 1974.

Hicke: How did you decide on that one?

Arrowood: Just by pure complete luck. I would love to tell you it was great planning on my part, but--. The botrytis was there. The vineyard that had the fruit on it is the old River Road Vineyard that at that time was owned as a partnership, I believe, not the least of which partner was Marvin Shanken, who of course now has the Wine Spectator. So I knew Marvin way back when, before he had attained all the fame and fortune that he's now enjoying. That's basically how that came about.

He had some fruit [Riesling] that had a lot of botrytis on it, plus the fact that Robert Young at Robert Young Vineyards, I remember, brought in some Riesling that had all these moldy berries, and he was just shaking his head saying, "I told the guys to sort this out." I said, "Sort it out? How much more of this do you have?" "Well, I've got a whole vineyard full of it." I said, "Would you be interested in picking this separate?" He said, "For what?" I said, "Just to bring it into the winery." He said, "Well, okay, if you really want it. You just want to pay my picking costs or what?" I said, "No, we'll buy the fruit from you." I don't think he believed I was playing with a "full deck"--yet he did bring in the fruit--perhaps just to humor me.

So I said, "Look, I don't know a lot about botrytis, but I've been reading a lot, and this is botrytis cinerea. It looks just like the pictures, this is what it is, it tastes right, I honestly believe it's botrytis."

Hicke: And he didn't know it?

Arrowood: Well, nobody paid attention to it. Nobody knew what it was all about here in California. Wente [Bros. winery] had made a little bit of Spätlese and Auslese in 1973 which worked pretty well but the wine didn't really pick up a tremendous amount of press. They were probably one of the first to do it. Myron Nightingale had made the premier Semillon with the botrytis; flats of Semillon grapes that he put out and sprayed botrytis spores over the top and let it grow in these chambers. But outside, naturally occurring in California, you always just called it "bunch rot." There was a lot of bunch rot, but there was also botrytis, a lot of botrytis out there.

So I got Bob to bring in a couple of bins of this stuff, and I remember he and Jim just were saying, "God, pretty bad."

Hicke: Scratching their heads.

Arrowood: Scratching their heads. This was '74. So we managed to convince them to bring in a little bit to us, again a little more. Actually, this whole thing kind of started, if you really want to go back--

Hicke: Yes, this is a great story.

Arrowood: --to '71, '72, I remember seeing some of these little bunches that I'd taken off the grapes. It was in '73 that at Sonoma Vineyards I'd made a little of this with Bob's grapes, but we had enough--remember Robert Balzer wrote about it. We had "the audacity" to charge \$4.50 for a bottle of this Riesling, very expensive! Even in 1973 that was a substantial price for a bottle of wine.

Hicke: Was that mostly profit?

Arrowood: At that time, you were only paying a couple of hundred bucks a ton for the fruit, but it was still just phenomenally expensive. Well, we finally did make a little tiny bit and it got written up very nicely, but nothing really happened. It wasn't until the 1974 Chateau St. Jean, Robert Young and River Road Vineyard's Riesling--were combined, we made--the actual combined sugar was an outrageous 27 [Brix] sugar.

Well, when you think back--as compared to what we do today we usually bring the fruit in at 40-plus sugar--we didn't know it then, but it was a revelation in the California wine industry. So we made this botrytis wine and struggled to get it fermented, and it was fruity, rich, and complex, and it was so wonderful and lovely. So we sterile filtered it, and bottled it up at Sonoma Vineyards, '74 vintage.

The Merzoians said, "Okay. We're getting the money together for the winery, so you need to come over. We're going to go to Europe in 1974, November of '74; come over and join us in Europe. We're going to find the equipment. You buy it over there and then we'll have it shipped back."

Hicke: It was going to be European equipment?

Arrowood: Yes, they wanted me to come over and buy it, which I did. We bought the finest European equipment--bottling lines from Germany, wine presses from Germany, centrifuges from Germany, and barrels from France. The tanks were made locally by Santa Rosa Stainless Steel. They were made at Sonoma Vineyards, because that was where Santa Rosa Stainless Steel had their tanks set up; they didn't have their building out at the Sonoma city airport at that time. But the filters and the bottling equipment and the pumps, the presses, and all that, were all European.

Hicke: What did you get?

Arrowood: Seitz-bought a Seitz bottling line from Bad Kreuznach, Germany.

Centrifuges from West Jalia in Germany and wine presses from
Willmes Press Company in Bensheim, Germany.

So we went to Europe. We had bottled the late harvest Riesling in October, late October, early November. And just before I took off I decided, Well, I'll just pull a bottle of wine and see how it's doing. Because I'm pretty excited about the wine, and the Merzoians are going to be over in Europe, maybe I'll bring a bottle over, even though the labels haven't

been made yet. We were still working on the St. Jean label design, I was working with Northwestern Graphics, which at that time was called Bertram and Milner. We had looked at a lot of things, and didn't like most of them, but we were just starting to get the shape of the Chateau St. Jean label and so on and so forth to develop.

So I pulled the cork on a bottle of wine, poured it in a glass, and smelled it. No nose, no flavor--the wine was dreadful. I thought, Oh, jeez, what's going on? Here I'm going to Europe to meet with the owners of CSJ, how do I tell them? I'm going to lose my job. All the things you think about when you're just not experienced enough to know what's going on with the wine. I thought, Gosh, I thought the wine was so beautiful when it was fermenting. Now it smelled a little bit like pineapple juice, didn't have much character to it at all, and it was flavorless. Sweet; flavorless. A little acidity on the finish, but overall very unimpressive!

Hicke: Which wine was this?

Arrowood: This was the '74 Select Late Harvest Riesling. And this was what I was excited about, because it was very unusual. Cabernet was great, Chardonnays were fine, but this was supposed to be really spectacular!

Ah, what am I going to do? So I go over to Europe, and the whole time, of course, my stomach is in knots because at any time they could say, "How did that Riesling turn out?" "Oh, it's fine," I'm thinking, and I was just nervous as the dickens. It really wore on me.

So I came back, we had bought all the equipment, and I'm thinking, How do I tell them this thing didn't turn out? So I said, "Well, we've got to get the stuff down to be inspected," because now at that point in time, around January, February, March, something like that, in '75, we had to get the wines labeled, although we didn't have our winery yet at Chateau St. Jean. We had the property, but we didn't have a winery built.

So they wanted to come up. They said, "We want to taste these wines, and we'll be up in a couple of weeks." And I thought, Oh, God, but okay. So I've got to let them taste the wines. What am I going to do? I seriously considered going out and buying a bottle of late harvest Riesling and just decanting it into the bottle and phonying it in. I was so upset about it,

because I thought, I just can't show them this. What am I going to do? But that's not me, that's not ethical. I'll just tell them the truth and walk away from it.

So I had the guys in at Sonoma Vineyards and I said, "Let's get down a pallet." The wine had since been moved to the warehouse at Sonoma Vineyards and it was way up on top. I said, "Let's take a pallet down, and I'll get a bottle out; let me check it and see where it is, see just how bad it is." So as the forklift driver is taking out the pallet, one of the cases catches on the corner, and the bottom flap opens up, and a bottle drops out and smashes on the floor. I wasn't paying attention, I was talking to Rod or something out in the warehouse--and I heard the thing crash, and said, "What's going on?" "Broke a bottle of wine," was the reply.

"God, what's that?" [laughter] "Wow, apricots and peaches and nectar. What is this? What is that bottle? What did you break?" "A bottle of Riesling." I said, "You're kidding! Wow, great!" The guy said, "You're out of your mind." I said, "No, it's fantastic! You don't understand!" So we got a bottle out, I pulled the cork on it, and poured some for Rod. He said, "This is fantastic, Dick. You've done a great job." I was just really relieved. The wine had simply gone into a typical bottle shock phase, and it was just not there before, but it had a chance to sit and rest and it developed.

Hicke: It was just that phase?

Arrowood: It went from reticent nose and no flavor to this blossoming peaches and apricot nectar. So I brought a bottle to the Merzoians, and they flipped over it. We started taking it out to wine writers. They all went pretty nuts over it.

At that time, I remember I asked Ken, "How much do you want to sell it for?" He said, "It will be \$6.50 a bottle." I said, "Ken, you can't get \$6.50 for a bottle of California Riesling. There's no way, it isn't going to sell for that. It's just not going to sell." So we argued back and forth, finally came out at \$6.25.

Hicke: [laughs] I can see you had a lot of influence on him.

Arrowood: Yes. So we priced it at \$6.25, \$50 a case wholesale. The wine sold out very rapidly to distributors, but a lot of it just sat on store shelves. It didn't sell well because people didn't know what it was. A few wine writers picked up on it, but not too much was happening until Jergensen's had tasted this wine

and wrote it up in their big newsletter. At that time, Jergensen's was a big force in the marketplace in southern California. In those days, you had what they called California Fair Trade [laws], if you'll recall. You couldn't sell it for less than the posted price, but you could sell it for more.

So Jergensen's slapped a \$15 price tag on that \$6.25 bottle of wine, and they had 200 cases in their inventory, and they sold it out in a week. [tape interruption]

Hicke: We were just talking about Jergensen's.

Arrowood: Right. They marked it up by this horrendous amount, and they sold it out, and they bought another 200 cases. I think we'd made--again, I'm just going to guess--I think we had made a couple of thousand cases is all. But it went through the system so fast, then some of the wine writers picked up on it, and as the wine aged, of course, it got better and better and better, and it was getting great press. I think it won a sweepstakes award at the L.A. County Fair. We started to blossom from there and thus the Chateau St. Jean label started to get recognition.

That wine was one that I think brought their attention to late harvest Riesling, to the Chateau, but it really wasn't until '75 that we were able to make--and we can get into that story later on--but we were able to make the very late harvest Trockenbeerenausleses and Beerenausleses--those are styles--and those wines probably of and by themselves, coupled with the first release, is what gave Chateau St. Jean its initial following.

And incidentally, the name Chateau St. Jean [pronounced like the woman's name] was one of those things where people went, "How did you ever come up with that, because doesn't it really say Chateau St. Jean [pronounced like the man's name]?" And what they said was really true, it was named after Ken's sister "Jean." The problem was that they didn't understand the French language enough, it should have been Chateau Ste. Jean, and then it would have been Ste. Jean [woman], and would have been correct. But they didn't do that. I kept saying, "Maybe we ought to change this," "No, we've got to leave it the way it is." So of course, people today still use Chateau St. Jean [woman] versus St. Jean [man], but some will still call it St. Jean [man].

Hicke: But that's one of the things you remember about it. "Oh, no, this is isn't pronounced like French, it's St. Jean [woman's name]." Arrowood: Right, and you always had to say it that way. So people always thought we were a little bit nutty, but that's okay. Did they want good French grammar or just great tasting wines?

Hicke: Once a consumer learns that, I think it's--

Arrowood: Right, and that's what you want them to do. You want them to do that.

But I think that's sort of what brought my artistry to the forefront and started to get the following to the winery. And again, we had pretty free rein to deal with the growers from top to bottom, the contractual arrangements and all of that. That worked out really well, because I had some very good relationships with many of the growers. Robert Young, for instance, a very famous grower and Chateau St. Jean--I'd like to say we made him famous, but frankly together we made each other famous.

Robert is an interesting guy. I knew Robert and Gertrude-when Gertie was still alive--since I was a little boy. As a
matter of fact, she used to take care of me when I was a little
kid. I used to always joke with the people of the winery,
saying, "Well, that's probably why we're paying the higher price
for the fruit, because she used to have to babysit me."
[laughter] But my mother and my grandmother were very good
friends of the Youngs when I was a little boy, so I remember
going over to their house and playing on the swings and with
their kids.

Hicke: They lived in Santa Rosa?

it, he had it.

Arrowood: They lived in Alexander Valley.

Hicke: Yes.

Arrowood: I used to go out there quite often. Understand, my mom was born and raised in the Alexander Valley, and my grandmother the same way, so they had a lot of friends there at that time. When I got into the grower/winery relationship with Bob Young, that was just by happenstance, because I was at Sonoma Vineyards, and it really wasn't until I was at Chateau St. Jean that I took all of Bob's grapes to the chateau, and we essentially crushed virtually 100 percent of his fruit. He had a lot of varieties to choose from--he had Chardonnay and Cabernet and Pinot Noir and Pinot Blanc and Riesling and Gewürtztraminer and you name

It was one of those things that the relationship, I think, helped us really build this vineyard designate program that Ken Sheffield had envisioned, because we managed to get together with the Robert Youngs of the world and the Ron and Henry Dicks of Belle Terre Vineyards of the world, and all the different growers we had around. It all of a sudden became very important, many of the growers said, "Sure, I'll sell you the grapes, but do I get my name on the label?" "Well, it depends on how the fruit turns out, and if you'll grow it the way we want it to, perhaps, we'd make a vineyard designate."

In fact, there was at one time nine different Chardonnays—we had eight vineyard designate Chardonnays and a Sonoma County appellation; so we had nine different Chardonnays in one vintage, which was both a blessing and major curse at the same time. The difficulty, I think, came when many retailers couldn't get certain lots, for instance, Wildwood Vineyards here in Sonoma Valley, which is now the Kunde Estate Winery, McCrea Ranch, River View, Bacigalupi Vineyards, Beltane Ranch, Belle Terre, Robert Young, Frank Johnson Vineyards, Chateau St. Jean Estate, and there were so many of them that we dealt with, it was very confusing to many of the retailers.

A couple of the wine writers picked up on it and dinged us pretty good because they--I remember L.A. Magazine, there was an article that came out, and the fellow who wrote it went by a pen name, which the name escapes me now [Van Delaney], but we never were quite sure who wrote the article. But he was saying that he was surprised that a winery such as Chateau St. Jean would put out so many wines, that the idea of experimenting with all these vineyards was something that belonged not in production but in a laboratory. And I remember being so furious, just angry that this guy would write such a thing, and he said, "While I haven't tasted any of the wines, I can't believe they're that different." And of course, that was just it. When I finished the article, I said, "Okay," time to shoot him a response.

So I drafted a letter, and the first one was a poison-pen letter, but then the next one was a little less poison. By the time I finally sent the letter out, I had calmed it down pretty good. I invited him to taste the wines and sent some wines to him. I just said, "Give me a fair shot; at least taste the wines. If they're not different, fine. The article stands."

L.A. Magazine at that time was really "The Los Angeles" magazine, a very important publication. It was before Spectator really had hit the scene.

So he tasted it--I'm thinking of his name all the time but I just can't remember, I think it was a pen name of Colman Andrews but I'm just not sure--his pen name was Van Delaney, that's the name he went under. But there's nobody by that name, so it's a pen name of someone. Anyway.

Whoever this Mr. Delaney was, he tasted the wines, and by God, he wrote a retraction, and wrote another article and just said that he was astounded to find that these wines were indeed quite different from one another, although they had been treated the same enologically, the various flavor nuances had to do with where the grapes were grown in the vineyards. How about that?

# Problems Developing at Chateau St. Jean

Arrowood: From that time on, it was like a rocket ship, and Chateau St. Jean just took off and flew and flew and flew. Again, unfortunately in the wine industry, there were so many other factors that, although the chateau was doing great, the table grape and the wine grape business in the San Joaquin Valley, the bottom was dropping out on them. The Merzoians were losing dollar after dollar in their operations down there.

So it was kind of one of those things that, when Ken Sheffield wanted to sell his interest in the operation, and he didn't want the Merzoians to have to—he wanted to bring in a partner. Ken went over to Europe. Ken is a real conceptualizer. Interesting guy, and a lot of people put—he had some concepts, he developed a company called Sheffield's  $O_2$  Water Company, but unfortunately it didn't succeed. He was at the wrong place at the wrong time, he was just before his time. He was about five years ahead of schedule. Had he done it today, the thing would have flown and probably would have been very successful.

Hicke: Bottled water?

Arrowood: Bottled water. I mean, it was just--you know. It was not a dumb thing, it just was way too far ahead of its time. He wanted to sell upscale, top-quality, designer water, so to speak, and he had some interesting ideas. He had a way to--he had a guy from Switzerland that came over who was in my opinion a total charlatan, as far as I'm concerned, and I told Ken that, and it's not a problem. This guy's name was Paul Armaker.

Supposedly he had this great process to super oxygenate water. I try to forget it as fast as I can--but he had developed a way to put an inordinate amount of oxygen and dissolve it in water, super-saturate it. Then he could carbonate it and then bottle it, and it would have this high oxygen level, and it would get you over a hangover faster and all this other stuff, which was total bunk, as far as I'm concerned. Ken said, "No--." He had me taste these waters. He would ozonate the water.

The problem is, I'm a graduate chemist. So I'd look at this, and I called a lot of my chemistry professor friends. I said, "Is it possible to super-saturate water at room temperature and then sweep through carbon dioxide and still have partial pressure of oxygen and carbon dioxide in balance with one another, and even having an excess of oxygen?" I was told that it's physically not possible. But he was trying to convince everybody this was going on--which in fact it wasn't!

Now, the idea of ozonating water and getting high oxygen content is possible. But to then force-carbonate it and still have a higher oxygen content and maintaining the oxygen level at forty parts per million oxygen, impossible. Just wasn't going to happen.

Hicke:

You'd have to rearrange the molecules or something, wouldn't you?

Arrowood:

Well, exactly, and it's just not physically possible. So I asked Paul (the Swiss developer of this "magical process") every time I'd go see him, he had a little shop, we designed a little-we took our little shop and we turned it into his little laboratory where he could do all his work. So I used to go up, and he would never let me see what he was doing--every time he'd see me coming he'd close up all his stuff. It was one of these shots. It just angered me. I kept saying, "Ken, he's taking you for a ride. The guy is a charlatan. He can't do what he says he can do with super saturation of oxygen and CO<sub>2</sub>!"

So I grabbed samples and I'd send them off to my professors and say, "Tell me how much oxygen is in there." They'd come back and it would be barely at saturation or below saturation. And he'd say, [German accent] "Oh, no, Dick, you're wrong. That's not the way it is. They're measuring ze oxygen wrong. They don't know how to do it." I said, "Paul, I don't know. You show me how to measure it." "Vell, it's not important right now. The important thing is that we make the best water," and so on and so forth. Well, yeah, but you're conning somebody.

I really resented that, and quite often, I had to do experiments down at the winery for this clown. He made me do some stuff that I had to--the Merzoians wanted it done, so I had to turn wine tanks into special pressure vessels and silliness like this, so it interfered with my winemaking and really angered me, because the guy was a phony. It never was proven that it worked because the guy couldn't prove it, it just wasn't there.

But Ken--and this is not demeaning to Ken--Ken is a brilliant guy, I mean, major brilliant guy, but this one I just think he missed, not because it wasn't a good idea. It was just before its time. It still might have been successful had they not spent a fortune in advertising, and unfortunately, it flopped because of the expense involved.

Hicke: He was something of a risk-taker, also, I guess.

Arrowood: A little bit of a risk-taker.

### Chateau St. Jean Sold to Suntory

Arrowood: Finally the Merzoians decided they had to sell the company. Ken wanted to bring in somebody from Europe, and quite frankly, he was probably right. I'm glad that it didn't work that way because I wouldn't have this winery today, had it not been for the people who eventually bought the winery. Things are just—my wife is one of these people, you have to understand, who believes that things happen for a reason. Me, I take a situation and assess it, and I'm a pessimistic pessimist, and she's an optimistic optimist. So we have two diametrically opposed schools of thought. So I'm always looking at, "Yeah, but, but, and you can't do it, and this is why," although I'll do things once I feel comfortable with it. When it's usually first presented to me, unfortunately the first word out of my mouth is usually, "No, won't do it, won't work," whatever.

But she says things happen for a reason, and frankly I think she's probably right. This Arrowood Winery came about because of the fact that the Merzoians eventually had to sell Chateau St. Jean!

Hicke: They basically had to sell it because of their own financial problems?

Arrowood: Exactly. They were just losing vast amounts of money in their table grape operation and the bank was putting phenomenal pressure on them to pay off some loans, and they didn't have the money to do it. So they had to generate cash. So they got into a--we had several people--

Hicke: Let me ask you one other thing: was the Chateau St. Jean profit-making by that time?

Arrowood: Very much so, very profitable.

Hicke: But not enough to cover their other--okay.

Arrowood: Yes. And if they'd have drawn--I mean, it was profitable, but it had a lot of debt, like most other operations.

Hicke: So they were paying--yes, okay, I see.

Arrowood: So what happened essentially was that they put it on the market, and we had a lot of people coming and kick on the doors. And of course, when you help build a place from top to bottom, you're very jealous of any and you jealously guard it. So I wasn't too crazy about having all these people coming through kicking tires, thinking, This might be my new employer, or who's it going to be? So eventually, they had Nestlé looking at it, and I made some good contacts and friends there from Switzerland. A lot of things were happening, but Allan Hemphill kind of kept me apprised of what was going on, and of course, they'd always want me to take them through the winery, so that's what I did. "Does the winemaker go?" "Oh, yes." Well, no, I'm my own--I'm nobody's slave, so if this place sells, we'll talk. "But I don't know what I'm going to do at this particular point."

Because I was sure enough of myself then because we'd made enough successes that, and although I don't think I was cocky, I felt that I could write my own ticket for myself the way I wanted it to be.

In July of 1984, Suntory International of Japan came out and did their dog-and-pony show. And my problem was and still is that my grandfather fought in the war in the Pacific, I wasn't too crazy about the Japanese, and I really wasn't interested in the Japanese coming in and taking over the operation. So we had the dog-and-pony show, had them in and out of the operation for a long time. I was surprised that I met some very interesting people, a couple of whom have become good friends, from Suntory. But I just felt like I had gone to a proctologist's office and had everybody poking me from every different angle in the world, and just the same questions over

and over again. They brought their winemakers over. They wanted to ask all these questions.

I wasn't crazy about sharing some of the real detailed information, only because -- not that there's -- there really are no secrets in this business, because it's the grape source, and frankly they never could understand that. So I always could tell them however we do it, and they'd go back to Japan and they still couldn't even come close to duplicating it. But the Japanese love to copy things, so I didn't want to give them more--because there were some things that we had discovered that, although again I don't necessarily agree with Jess Jackson that there are proprietary things in the wine business as far as making table wine, I just don't agree with that, and Jess is a good friend so he knows how I feel about it, but the fact of the matter is, we had discovered some things that were shortcuts, sidesteps, quick and easy processes, or processes that made a wine a little different than what everybody else's were, and that's why we were doing so well. I knew that, besides the grapes being 99 percent of it, there was still I percent that could actually get you over the edge, if you want to percentile it.

Hicke: I think they owned Firestone by this time, didn't they?

Arrowood: As I understand it, they had a third interest in Firestone.

Actually, Suntory didn't, but Keizo Saji, who was the primary stockholder in Suntory, had a one-third interest.

Hicke: Oh, yes, it was not the company--

Arrowood: Right. He's the head man, he's the chairman of the board of Suntory Limited, and again he had the majority interest in Suntory.

But the sale finally went through in October of 1984, finally closed, and I was there to sign all the documents as a new officer in the new corporation and became executive vice president and winemaster at that point. Every year I had gone to, as I still do now, to Alaska and fly fish. For hobbies, I'm a fly fisherman and sporting clays shooter, I like outdoor sports. I'd gone up to Alaska and was out of the lodge, and no phones—they have a radio phone, but no phones. So I had been out fishing. I had arrived there on a Sunday and this was like a Wednesday afternoon, I had been fishing. I was going to be there for ten days.

I motored up to the lodge and the dock, and this guy comes and says, "Mr. Arrowood, there's a phone call for you." I said, "Yeah, right."

##

Arrowood:

"There's a phone call for you." I said, "I know you don't have a phone," because I knew it was broken. He said, "No, we've got the radio phone fixed." I said, "Aw, you're just kidding." So I go in and take the call. It was Allan on the radio phone. Of course, we're transmitting back and forth. This was the days before cellular phones, so it was an interesting call.

He said, "You've got to get back. The Japanese company is buying Chateau St. Jean, the deal's going through and they want everybody here for a very important meeting. Can you get back?" I said, "Sure, I'll do whatever's necessary." He said, "I'm sorry to do that to you." I said, "No, it's not your fault. They're asking." "They want you here." So I said, "Fine."

So I had to get the first plane out, took it from the lodge in Anchorage and flew from Anchorage back home. All this to go to a goddamn tea party, a cocktail party that they had just to introduce everybody, and that's all it was. I didn't say anything to them at the time, but I was just furious. Fortunately, because if you leave early usually you lose everything at the lodge, fortunately the guy at the lodge said, "Look, you've got five days' credit coming next year, we'll give you five days' credit if you come back." I said, "I'll be back, you know that." So it worked out where the guy credited the time; I didn't lose the money.

So we had to be back, and we did this thing. The deal finally closed in October of '84. The Merzoians--we went to the law offices of Cooley, Godward [Castro, Huddleson & Tatum], I think, in San Francisco, and all the documents were signed. Had representatives from the Bank of America there. And I can't say that I blame the bank for wanting to get their money, but it was one of these deals where, as an officer of the company, I'm signing the checks over the Merzoians, and I give one to the Merzoians, and the guy from B of A says, "Thank you very much," takes the check. It was that terrible. Now, they did have some money, fortunately. They [the bank] didn't just get it all. But they paid the bank off immediately right then and there.

We had a meeting afterwards, and the Merzoians brought me over to their attorney's office, and they said--this is Bob, Ken, and Ed--"You really helped us get \$40 million-plus for this operation, and we want to thank you somehow." I said, "Well,

you already have." "What do we owe you?" I said, "You don't owe me anything. You've given me an opportunity; I really appreciate it." "No, we'd like to give you something. What would you like?"

I said, "You don't owe me anything. If you want to do something, that's up to you. I really don't feel you owe me anything." I know they did it with a couple of other people, but I guess I kind of surprised them, because everybody else had some numbers in mind, and they did what they wanted to do for them. But for me, they took care of me extremely well, and not only gave me additional dollars in salary, but they gave me a gift which helped Alis and I buy this place. So they were very, very kind to me, and I will never forget them for that.

THE FOLLOWING SEVEN PAGES (46-52) ARE SEALED UNTIL 2020 PER NARRATOR'S REQUEST

### V ARROWOOD VINEYARDS & WINERY

# Finding the Site

Hicke: Let's go back to starting the winery. How did you look around and find something to buy?

Arrowood: Well, we wanted to get something that was in close proximity to Chateau St. Jean, because I figured I was going to be running both operations. Had a contract with them, everything was going to be fine. Little did I know they would decide to breach the contract and hire somebody else and play all those little games. So once that happened, it became clear what I had to do. But we had found this piece of property, a fifteen-acre parcel here. Alis and I bought this in August of '86.

### Alis Arrowood

Hicke: Let's go back, and I'd like to ask you to tell me about Alis-when you married her, and what her background is.

Arrowood: I met her at Chateau St. Jean. She's French-Canadian, a
Canadian citizen, and still remains a Canadian citizen. I don't
want her to change her citizenship. She's talked about it.
"Oh, no, you've got to be proud. I wouldn't change my
citizenship; I'm proud of the United States, and I'm not going
to become something else, and you ought to be proud of your
heritage," which she is. She is a French-speaking Canadian,
also fluent in English, but her mother tongue is French.

I met her through a friend. She used to work for Callaway [Vineyard and] Winery, and one of my old classmates at Fresno decided to bring up the sales manager and assistant winemaker to

visit the wine country. So I met Alis the first time at the California Wine Experience, November of 1981. I had another date at the time. I had divorced from my first wife. I met her, didn't pay much attention, because she was pouring for Callaway, and I was out to see my friend at Callaway, so I was chatting with him and chatting with her boss [Eileen Lloyd], whom I knew quite well.

So to make the story go on, they wanted to come up to visit Chateau St. Jean, and they made an arrangement to come up. So I said, "I'll take you through," because I knew Eileen--at that time was Eileen McLemore, now Eileen Lloyd--she was the sales manager for Callaway, and knew people at Callaway and the winemaker there, Steve O'Donnell. His assistant there was Dwayne Helmuth, and Dwayne came up with the two ladies.

Took them on a tour, and I kept looking at Alis thinking, That's a pretty woman, really attractive lady. She had never figured that out because she could never see I was watching her, but I guess--this is what she said; I didn't realize I was that un-obvious. But she just was very interesting.

So I called Dwayne up the day after they left when he had gotten back to Callaway, and I said, "Who was that with Eileen?" He said, "That's a lady by the name Alis Demers." I said, "Oh, is she married?" He said, "No, but I think she's engaged." I said, "Ah, it figures." Okay, well, that's fine.

But he said, "I don't know, you ought to--do you like her? She's a nice lady." I said, "Well, yes, she seems to be a pleasant person." He said, "Well, you ought to ask her out." I said, "Well, if she's engaged, I don't want to get in the middle of one of these." "Oh, no, you ought to ask her out."

So a couple of days later--you see, I get to work here at six-thirty every morning so I forget what time it is. So about quarter to eight, I pick up the phone and give her a call. Well, she's in sales, and they don't even get on the street until ten-thirty, eleven o'clock, so she's still sound asleep. I said, "Hi, Alis?"

She said, "Yeah?" I said, "This is Dick Arrowood."
[pause] "Oh! Yeah, how are you?" [laughter] It was one of those deals. I said, "I'm going to be doing a wine tasting at a winemaker's dinner in Los Angeles. Would you like to join me?" She said, "I guess. What's a winemaker's dinner?" She'd just joined Callaway. I said, "Well, you taste Arrowood wines." So she said, "Okay, well, that should be fine."

So she hung up and she told me she said to herself, "Jesus, why did I say yes?" So she called up Eileen and she said, "Who the hell is this guy?"

To make a long story even longer, that's how we met. I flew down and met her in Los Angeles, she picked me up at the airport, we went to dinner, and the rest is history. It was just one of those crazy, crazy things.

Hicke: And when did you get married?

Arrowood: She moved up to Sonoma County, we lived together for several years before we got married. She moved up in '82--was it '82? Yes. We lived together for about three years, and we got married in '85, March in '85.

Hicke: And what was she doing, did she work up here?

Arrowood: She stayed at Callaway all that time until she moved up here, and then when she moved up here, because she's fluent in French, I got her an interview for a job as the director of the visitors' center at Piper Sonoma. I called Rod Strong up, and Rod interviewed her and said, "I want her," so she got the job there. She stayed with Piper Sonoma until we closed this deal in August of '86, and she left Piper Sonoma then.

Hicke: Pretty clever of you to find somebody with a marketing and sales background. [laughter]

Arrowood: Yes, I know. Of course, I didn't know about that at the time, but that was something that worked out very well. She works with our sales manager, and Alis also spends a lot of time on the road, loves it, and is great in promotion and things like that. She's a real happy-type person, as I said, very much an optimist. Very much an optimist. You see, I have a very short fuse; my fuse you can light very easily, but I get it out of my system.

But with Alis--very long fuse. You really have to work at getting her mad, but if you get her mad, you'd better get the heck out of the way. I've only gotten her mad a couple of times, and I didn't like what I saw. But really, she doesn't get offended easily. She's pretty easygoing, very self-assured without being--. Put it this way: anybody that can be married to me can't be all bad, so she has some very, very good traits.

And she helped me through this interim period with the Chateau St. Jean thing. But it was nice, when it finally all

was said and done and worked out, it was great. I put sixteen years in there, of which twelve were pretty pleasant years.

Hicke: You certainly made some excellent, outstanding wines.

Arrowood: Yes, and that was the thing. To this day, although I still have many friends there in production, sales, people that I still consider my friends, the place has changed very much. I really don't have any animosity towards Chateau St. Jean. First of all, they've moved the Japanese off the premise; they don't have anybody there. They still are owned by Suntory, and they've got some nice people, good people that I've known for a long time running the operation. The fellow who worked for me for fourteen years at Chateau St. Jean is the winemaster, Don Von Staaveren, very capable fellow, very knowledgeable, doing a heck of a job for them, and God bless him. We still get along very, very well.

Only the years that I had to deal with some of the board of directors and a lot of other things that had to be done at Chateau St. Jean through Suntory were very unpleasant. Very different. Just a different type of ethics, I guess? My father taught me a long time ago that my word and my handshake were the two most important valuable bonds that I've ever had. My dad never had to use an attorney for any contracted deals. I think the only time he ever used an attorney was to draw up his will. I mean, my dad just felt that you didn't sue people. If you told somebody you'd do something, you did it. If you said, "Hey, I'll pay you for this," you did.

I've always tried to remember that. Again I'm not trying to say that I'm close to perfect, but I've always felt that I had reasonable work ethics, reasonable business ethics. It just incensed me. More than anything, I think I was probably so naive to think that people don't do these kinds of things. And it's not specific to Japanese business people, but they in themselves have a way of doing things in that regard. Different. But experience that was certainly worth the time, to go through it and see it.

Hicke: Speaking of time, how's your time?

Arrowood: Yes, actually, I'm going to have to scoot here pretty quick because I've got some people coming at twelve-thirty that I've got to meet up at the house and have a sandwich with.

Hicke: Well, thanks very much for this interview.

# The Winery Property

[Interview 2: November 13, 1995]##

Hicke:

You remember that we got just about up to your establishment of this winery last time. So where I'd like to start is, you had just mentioned that you were looking around for property near Chateau St. Jean. How did you settle on this property here, and what was good about it?

Arrowood:

What we did was have a real estate agent looking for property for us in close proximity to Chateau St. Jean, so that we could find something that would allow us to build our winery, run this operation, and continue to run the operation at Chateau St. Jean.

Hicke:

Can I just ask if these real estate agents specialize in vineyards?

Arrowood:

Some did, but this just happened to be a friend of the family. As a matter of fact, she now runs the visitors center at Piper Sonoma. Jo Gibson is her name; nice lady. She's the sister-in-law of Allan Hemphill. This is how incestuous this industry is; we're all tied together somehow. In any event, she found the property for us, and it was one of those things--we had made a bid on a property which was only about a mile away from Chateau St. Jean in the town of Kenwood, and we looked at the property, and thought we'd made them a very handsome offer. They kind of laughed in our face.

I was a little depressed about it, to be honest with you, but then Alis got the phone call from Jo Gibson saying she'd found a piece of property that was still in the multiple listing book, but it was an old book, and she didn't know if the property was still for sale or had been sold. So she said, "Well, let's go take a look at it." Alis asked me if I wanted to go, and I kind of said, "You know, I don't really feel like looking at property right now." I was just still a little bit depressed about the fact that we lost the first deal. I really wanted that property because of its close proximity to Chateau St. Jean.

Basically I said I didn't want to go, so Jo Gibson came over to pick up Alis, and said, "Oh, come on, come on," and she tried to persuade me. I said, "All right," so I went out with both Alis and Jo. We drove up the driveway to this place, and of course, there was nothing here; it was an open field and oak trees. We got up to the house up on top, which was built where

Alis and I live now. We just drove up and we said, "God, this is it. If this is really still for sale, this is it." This was what we wanted; it looked good, it was a very pleasant-looking place, and it just knocked our socks off.

We went up to the door, and she had already made arrangements to see the fellow who had it for sale, who happened to be a real estate agent also. He said he'd taken it off the market, but if we really wanted to take a look at it, he'd be happy to show us. We looked at it, decided it was what we wanted, made an offer he couldn't refuse, and he accepted. It was contingent upon the approval of a use permit for the winery, but we gave him enough nonrefundable deposit where he felt pretty comfortable with it.

Hicke: There was no winery here?

Arrowood: There was nothing here, just the house, and fifteen acres of

property. Just the house.

Hicke: And no vineyards?

Arrowood: No. It was bare land.

Hicke: Had you planned to plant vineyards, or just build the winery?

Arrowood: Both. So in '86, when the offer was accepted, we had the engineers come out before the final closing of escrow, and we looked at potential winery sites. We found the site where we're sitting right now, and started drawing plans up. Once the sale went through, we started planting vineyards in late August and early September of '86. Things were already working the way we wanted them to work. When the sale finally went through, the vineyard construction as far as cross ripping the land was all being done. We started the site work on the winery, and if you recall, '86 was one of the drought years, so we didn't have any bad weather really until December, so we continued to do site work. We had the site all prepared as far as the foundation base, and all this to be laid before the end of '86.

Hicke: Let me back up just a minute here. Did you look at the direction of the exposure?

Arrowood: Oh, sure.

Hicke: I think it's southern exposure here, right?

Arrowood: Yes, exactly. We wanted to get that.

Hicke: What else did you look at in the way of--

Arrowood: Well, more than anything, we were concerned about soil type, but as you can see out there, there's very little soil. It's almost all solid volcanic rock and ash, so in what little soil there was, the vines that grew struggled like the dickens. We thought it would be the case that, if we could get water to them, the fruit would turn out to produce great wines. It all worked out. Our major concern was being able to get the winery in, and then again, the proximity to Chateau St. Jean. Our own vineyards at that time only provided about 5 percent of our needs. So its production was a tiny, tiny portion of what we had planned.

# Building the Winery

Hicke: Now, for the plans for the winery, how did you go about designing those?

Arrowood: What we did was real easy. [tape interruption] The scenario was that we liked the design of our house. (If you went and looked at our house, it looks like a very similar but smaller design of this building.)

Hicke: It's frame and--

Arrowood: Same. Big porch, New England-style farmhouse. So when we got Summit Engineering involved with the architect, Richard McCrea, he took a look at what we had in mind and said, "Well, what do you really want?" I said, "I really don't want you to get too crazy with the architecture. I want you to build it very similar to the house that we already have, so we keep the architecture in those same lines and the same design." That's essentially what he did; he took the design of the house and then scaled it up for a winery, and had it so it actually looks a little bit like a big residence from the road. That made the county planners happy. We put all the winemaking equipment behind the winery. As a matter of fact, I think the Sonoma Valley Society for Historic Preservation gave us an award of excellence just for the building being put together properly.

Hicke: I read that, yes. And for fitting into the environment or something like that.

Arrowood: Yes, and that's what we wanted to do--kind of tuck it into the hillside and make it look like it was part of the surrounding area, not just something that stuck out as a sore thumb.

It didn't take very long to actually have everything fall into place. The architectural renderings were done, our use permits were issued, and we started actual construction of the winery in June of '87, and the structure was finished in its entirety, basically as you see it today, in November of '87. really about a year from the time that we got the property to the time that the building was actually up was all it took, which is amazing that it could be that way, but that's how fast it went up. BDM Construction built this for us, out of Santa Rosa, and they did it very well. It took them about three and a half months to get the structure up and everything internally done. I mean, it was quick, it was really quick. We started a little later on the site preparation, because it's typical with Sonoma County planning department, they just delayed us left and right continually, but they never did change anything. It was just typical bureaucracy.

Hicke: I wanted to ask about the necessary paperwork--use permits and such things.

We're still having to play games there, but now we have our Arrowood: neighbor, the Benzigers, who bought the neighbor's property in front, and they're going to put in a microbrewery, which means they'll be putting a left-hand-turn lane in [on the road passing the winery]. That means we're going to be changing our use permit to allow for a tasting room and a separate visitors building. The biggest thing, the biggest bugaboo that the planning commission now has is that they don't want us to create a lot of traffic. In our use permit, we are supposed to be sales and tours by appointment. I've always believed that if a consumer comes up and has a desire to buy our wine, he's got an appointment. I mean, it's crazy not to do that. But the county wanted it done differently because there's no left-hand-turn lane. Now that there will be one going in, I'll go back and either request it be amended or reapply for a use permit to increase it so that we can have the direct sales traffic we want to have.

Hicke: So you had to get permission to build the winery and then permission to have a tasting room?

Arrowood: To sell our wine. I mean, it's not as bad as Napa [Valley], but it's bad enough.

Hicke: What does the county gain?

Arrowood: I really don't know. They've got little demagogues that work this thing through, they're just great at being bureaucrats.

That's their whole reason of being, you know. These are people

who just enjoy it. It must be the power thing. We'll go back to them, and we'll go with hat in hand, and hopefully they'll issue it.

I'll be real honest with you: if I could grow grapes effectively in Colorado or Arizona or someplace else, I think I'd move. I would. I mean, who needs this garbage? We're about as clean as any winery can be, but the California environment today is exceedingly antibusiness. It's exceedingly antibusiness, and I'm sure it will probably continue that way for some time to come. They want permits for storm drainage runoff? Give me a break. This is so ridiculous, and it's all to generate fees. We have hazardous material fees, we have hazardous waste fees, fees for people to inspect your building for you. If you generate more than five gallons of waste oil, they expect you to have a permit for its storage and drainage -- I mean, it's idiotic. It's totally idiotic, and it's not protecting the employees or the environment. But you have to live with it, and so you do. You comply, or you get out. There's really only two viable choices.

Hicke: Well, that's interesting from a historical standpoint of view, because that has changed so much from --

Arrowood: Yes, it is not business-friendly. And you can look at wineries, which are probably the least polluting agribusiness you could have, bar none, yet they treat you as if you were an oil-based paint manufacturer, for lack of a better comparison, and you're dumping your paint down the drain. It's absurd. It's totally absurd.

## Wine Production

Hicke: Okay, well, I got you off the track.

Arrowood: Yes, so to get back on it, we finished the project, and we started the production facility here. Our first harvest was '87, and although it was tight to get everything done, it did get done the way we wanted it to.

Hicke: What were your goals for that first harvest?

Arrowood: The goal was, of course, to be able to get the fruit in the winery and do the best we possibly could under the circumstances of a first crush. It turned out pretty good. In fact, we produced about 10,000 cases the first year.

Hicke: Cabernet?

Arrowood: Cabernet Sauvignon, Chardonnay, Merlot [for blending with Cabernet Sauvignon]. Those were the varietal wines we were producing at that time. The '85 and '86 vintages I made at Chateau St. Jean for Arrowood Winery were the first wines on the market. The first wines produced, bottled, and marketed from here were from the '87 vintage. And '87 really turned out to be a marvelous vintage. Great Cabernet. The Chardonnay was exceptional, especially our reserve wine.

It started us thinking. We only did those two wines [Cabernet and Chardonnay] that year. We used all of the sister variety components to blend with our Cabernet, and these are the Petit Verdot, Malbec, Merlot, and Cab Franc. But we started tasting Merlot wines from the '88 vintage, for instance, that were so nice and so exceptional and so interesting to us, we decided we wanted to also focus on Merlot.

We started from just a few cases really, and in fact we produced a little bit of a Merlot selection out in '86; those wines today are still too darn hard-the Merlot, anyway--to say that they were a success, but the '88 was. We didn't do any Merlot in '87, but in '88, we did incorporate Merlot into the program. It was an instant success.

Hicke: Why did you?

Arrowood: Oh, just because I'm a winemaker; I like to make different wines. It seemed like I would get bored with just Chardonnay and Cabernet, so we decided to use the Merlot. Our growth has narrowed to focusing on singularly hand-crafted varietals in the area of 20,000 to 25,000 cases annually, versus the 15,000 that we originally planned. But we also planned for the project to cost us X number of dollars, and of course, it cost X plus Y, obviously more than we anticipated, and of course we wanted to be able to service more of the debt.

# Financial Negotiations

Arrowood: The success of the winery has been such that we went from being pursued by banks to being thrown out by banks, to now, back to being pursued by banks again. It's kind of nice to have great bank relationships again. It is amazing how it goes around, though.

Just as I've said, "never again," working with the Japanese companies, I say "never again" when it comes to working with a bank that doesn't really want to have us.

Our sole goal of producing singular top-quality wines fits in with the second financial sole goal, which is to be financially as independent as absolutely possible, and be with a bank who is both friendly and understands your business needs. For instance, we're now with Farm Credit, also known as Pacific Coast Farm Credit Service, and they have been very, very good to work with.

Hicke: Oh, that's the name of it, Pacific Coast?

Arrowood: Pacific Coast Farm Credit, yes. They were good enough when I left Chateau St. Jean to provide the mortgage financing for us, and then once we really got things rocking and rolling, and we were generating the income and the profits that we both felt comfortable with, they eventually took over all of our banking relationships. They treated us fairly and continue to do so to this day.

But as I said, when we left Chateau St. Jean, the banking relationship that we had to provide all the financing was through Suntory's relationship with Sanwa Bank. Once I left Chateau St. Jean, of course, we had to pay off Sanwa Bank. That was all worked out. Security Pacific [Bank] took them out, and then, of course, Security Pacific being taken over by Bank of America became less than interested in the wine business. Because they had loaned money to the "Vintech debacle," and they decided to paint us with the same brush, their actions were fairly rude and rather cold.

When B of A finally got in there, they decided to put us in what they call their "special assets division," which was ridiculous. We had their auditors come in and take a look at the performance. The auditor came to our controller in the meeting and said, "I only have one question. Why are you in special assets?" [The special assets is a division where they have troubled accounts.] We said, "Well, you tell us. You guys put us in there. Since neither of us wants to do business with the other, we'll be out of here as soon as we can find another banking relationship, but it will take us time to do it. We need you to work with us until a new banking relationship could be established. We'll then move on."

Well, we eventually did. One thing led to another, and we went to a little bank in Richmond called Mechanics Bank, which came in and did some good things for us. That got us to step

one, in part of the puzzle. Then from Mechanics Bank, First Northern Bank of Dixon made us an offer to take out the balance of all of the debt that we had with B of A. It worked out really very nicely. We were with them for a couple of years, and then Farm Credit came to us and just said, "Look. We can make you a deal you can't refuse" for securing the midterm debt. We already had the longterm debt tied up, so they went through and handled it all for us. It's just been fantastic working with Farm Credit.

The sad part about it is that the idiots at Bank of America, and I'll use that term--I have no problem, they are idiots--they treated us with, at best, indifferent contempt, didn't understand what was going on or even pretend to. They put us, when we were in their special assets division, they put us under the auspices of a very nice lady, Maggie Metheny. She was very courteous to us and looked out for both B of A's interests and our own interests at the same time. There was also a little thing called "lender liability," and of course they knew about it, so I am guessing that that certainly had an impact on the Bank's method of trying to collect the loan.

We knew that was going on, because unbeknownst to them, the attorney for Mechanics Bank played golf with one of the chief counsels at Security Pacific Bank. When they were golfing one day--I know this because I got it back to me from a manager of Mechanics Bank--when they were playing golf one day, I guess they just said something about the wine business, someone asked if they did any loans in that arena, and one attorney said, "Yes, we've done some. We just got a couple in--" and with Wente Brothers, I think we were the only two wineries that they dealt with at the time at Mechanics Bank. And the attorney asked who the wineries were and was answered, "Wente Brothers and Arrowood." "Oh, Arrowood," he said, "we used to have Arrowood at Security Pacific. Boy, did we put it to them."

So I got it back and I passed this on to our attorney. We felt we were on pretty safe ground as it was, but that just clamped it down. There were nasty letters going back and forth, and finally I just, at the very end when First Northern took the whole thing out, I wrote a nice letter to the chairman of the board of Bank of America, and he returned a reply in about three weeks' time. I just told him that "We got poor treatment from B of A, other than Maggie Metheny, who was a damn good employee, watched out for your interests as well as ours and did take care of us, and I'm pleased to say we're no longer with your bank." And I said, "If you continue to treat customers this way, the way you threw us to the dogs, you won't have any customers."

Well, he wrote me a letter back, and I don't know if you want it, but I'd be happy to give you a copy of it. I mean, it's ridiculous, it's just, "Hey, thank you for your kind note, I'm glad that B of A did what you expected of a bank, we like to take care of our valued customers." I mean, it was just ridiculous. Maggie Metheny got a copy, and she was just mortified. She said, "Oh, my boss saw it and asked, "What can we do?" Maggie said, "Do nothing? Just leave it?" And I said, "That's correct. There's really nothing to do. It just shows me what a bunch of buffoons you've got at your bank, from the top on down."

And then they had the temerity, they had the <u>temerity</u> to come back to us a couple of years later, and said, "Well, we'd like to see if we could develop another relationship," and I said, "Let me explain something to you." And this is a true story, and I'm going to tone it down because I don't want some of the words in print, exactly what I told them, but essentially I said to B of A's representative out of Santa Rosa--and I don't want to use names, I'll just say the representative from Santa Rosa--I said, "Let me put this in perspective for you. If Bank of America came to me and said, `We'll loan you all the money you want at no interest rate, and you can pay us back whenever you want,' I still don't want your `expletive-deleted' money. Does that put it in perspective for you?"

He said, "I'm sorry you feel that way." I said, "I'm not. You damn near put us out of business. Do you think I'd want to go back with you? Are you kidding me? You've got a lot of guts, I have to admit that, but you had a person in your bank who came to our office and sat there and basically called me a liar, said our FOB prices weren't as we said they were. It's all in the computer, it's all on the forms, you can check with any of the people, you know what our wholesale prices are. You can go to our wholesaler and find out what they buy it for, because they'll show you their paperwork. How much can I go through and dig and change all this, if I'm not telling the truth?" Basically, he called me a liar. I've never come so close to knocking somebody's teeth down their throat sitting right here in this office as I did at that time.

"This guy not only lost our business, but as I understand it, he eventually lost all the Ferrari-Carano [Winery] business, he lost all the business with Vino Farms and many other companies. All told, he probably did about \$120 million plus worth of damage, maybe more, to your company, and he's still working for you? You still keep people like this on? That shows me what a bunch of clowns you guys are. You can change, you put new paint in the restrooms and new paint on the outside

of the bank, but you're still run by the same clown-driven organization."

So that's my feeling for B of A. You can obviously tell that there's some passion there, because they just about brought us to our knees. They've got guts, I have to admit that. But that's all behind us, and the good news is we're with a company right now that really has taken care of us and given us the treatment that one would hope to expect.

Now, on the other side of the coin, we've been able to deliver the profits in excess of what they expected us to do, because we've had the quality of the product in the bottle. A company cannot be expected to exist if its reason of being, its raison d'etre, is simply to generate financial success. Now, obviously you want to be financially successful, but if that's your only point, sooner or later you're going to stub your toe. Quality is still, as Ford says, "job one." It's still the number-one thing you want to focus on. We want to try to grow the best wines we possibly can in the vineyards that we buy from, and I use that term not mistakenly. You do grow wine, in fact, that's why we call growers, "winegrowers." You're trying to make the best wine you possibly can. Whatever the vineyard gives you is what you have to work with. That's why the vineyards must be our major focus.

The financial aspect of it was just sort of a side issue, but it took a lot away from me.

Hicke: That goes to prove there's a lot more to a winery than growing wine.

Arrowood: Of course, it's exactly that. And there's a lot more to people who have vision versus people who don't have vision. Farm Credit, of course, can only loan to agriculture, so they must have vision.

Hicke: How long did it take in general to become a profitable winery?

Arrowood: You know, we were profitable technically from day one, but it depends on how you play the game. Our first recordable profit really took place in fiscal year '91, calendar year 1990. It actually was the first one; although it was modest, it was still there. And part of the reason was we also hired Vic Motto of Motto, Kryla and Fisher out of St. Helena to act as our financial business consultants, and they prepared a lot of the documentation--five-year plans and things like this--that the banks requested and/or required, and then we went ahead and implemented those. Vic Motto helped us get through some of the

rough and tough times that we had gone through. It just was amazing: to be able to survive the way we did is probably saying something unto itself, because there was a time when we had—it was funny—we had some interested investors coming over here from across the pond from Japan and Hong Kong that wanted to buy in or buy the whole organization, and at the time, I was so upset by this stuff that was going on at the bank that I almost said, "The heck with it, let's just take our money and get the heck out of this thing."

But I will give credit to my wife Alis; her quote was, "It's going to get better. I promise you, Richard, it's going to get better and you're going to laugh at this someday, and you're going to be able to thumb your nose at them someday." She was right, although I have yet to be able to laugh at it, but I have been able to say that her optimism is what kept this thing going, and that's the honest-to-God truth. I was ready to throw the towel in, if it weren't for her believing that "it's going to get better." It reminds me of something funny, because out of a lot of the banks that said no at the time, we had several banks come back to us and approach us. We had to say no to five banks two years ago, and frankly it was kind of nice. I mean, I have to tell you, anybody that says this doesn't feel good is just either lying to you or very naive.

But it was really funny, because if you remember in the movie Pretty Woman, Julia Roberts was the prostitute who was the friend of Richard Gere, and he was very wealthy, and she went into the very chi-chi, tony shops along Rodeo Drive in Beverly Hills, and they treated her like she was dirt. Well, as he became involved with her more and more, he decided to take her to these shops himself, and the guy's a multimillionaire, so he goes through and takes her to all these shops. She goes back to the one shop where they treated her just like dirt, and she says, "You remember I came in the other day, about a week ago, and you didn't have time, and -- " she was, of course, all dressed up at the time. The saleswoman is sitting there, "Yes." They spent thousands of dollars in each one of these stores, ten, She said, "You remember when fifteen, twenty thousand dollars. I was in here?" "Yes!" She said, "Big mistake. Big mistake."

That's exactly the way I felt with the banks, because they made the mistake, not us. We did the right thing, and we did exactly-plus what we said we would do. They were the ones that made the big mistake, and I feel really positive on that, and I'm not a very forgiving soul in this regard. I don't wish malice on anyone, but like I said before, I can be your best friend if you want a friend, but I'll also be your worst nightmare for an enemy if that's what you want. And I owe B of

A, and I will continue to feel this way, because they singlehandedly almost put this company under.

Again, I only bring this up now because it's part of the history. I don't spend time on this on a daily basis. But every so often, it's funny how it does come back. I saw a guy who came to one of the tastings and was with Bank of America, and he says, "Do you remember me?" I said, "Yes." He said, "I'm really happy to see you guys are doing so well." I said, "Yeah, me too." I won't tell you what else I really told him, but I managed to turn around and walk away from him, and he just kind of—he left promptly. But it always does come back. As long as you can choose your battles and where they are to be fought, then you have the possibility of success. If you are in the wrong and you try to defend your actions, sooner or later you're going to have big trouble. But if you're in the right and you really believe you're in the right, then defend them you should. That's the way I've always tried to philosophize life.

### Equipment

Hicke:

Let me ask you about the equipment. I know you chose all the equipment at St. Jean. Did you make any changes or improvements when you started your winery?

Arrowood:

Oh, yes, a few, but again, when you have a large operation and your production is for that large operation, there are certain pieces of equipment which will give you economies of scale, which you get. But even on a smaller basis, the economies of scale can still be done; you just have to look at the fact that it takes maybe a little longer to accomplish them, because you're processing less fruit through it. By and large, much of the equipment that we had at St. Jean I also had available to me here, but on a much smaller scale.

One thing we set out to do differently, or that evolved maybe is the truthful term, which evolved that turned out a little bit differently, was the fact that when you are running an operation for somebody else and all their money is on the line, for myself, at least, I feel adverse to more risk on that basis. I feel less likely to do certain things on a larger scale with somebody else's money than I would with my own. Not that I'm a devil-may-care, risk-taking person, per se. Of course, being in the business, by definition, makes you a risk-taker. But I'm a lot less adverse to risk on my own operation based on the fact that, okay, if I stub my toe, it's only going

to hurt me. Of course, there are our employees and you obviously have to think about that aspect.

# Fining and Filtering

Arrowood: One of the things that we did differently here was filtering.

At Chateau St. Jean, we filtered everything. Here I said, "Why not? Let's do some experimentation." Starting in '88, we started backing off on filtration of reds, and then really in '89 and eventually '90, we did not filter any of our red wines at all.

Hicke: Fining?

Arrowood: Fining we did; we had always done a light egg-white fining up until about 1991, and then with our '91 vintage, we just did a light clarification. Clarification and fining are two different things, although the government calls them the same, and we won't label it "unfined, unfiltered" unless we've not done any of the processes. We'll put "unfiltered" on the label, but we currently don't put "unfined," because we do add a very small quantity of egg white to most of our reds to make them brilliant, but it's a lot less than fining would be.

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Arrowood: Fining would be the equivalent of putting, let's say, four to six egg whites per barrel of Cabernet Sauvignon, for an example. Clarification might be a half an egg white per barrel to help settle it down, to just get the brilliancy without really ultrasoftening the wine. Unfortunately, BATF [Bureau of Alcohol, Tobacco and Firearms] doesn't see any difference; if you add it, it's called fining agent, end of story. So we therefore can't use the word "unfined." Sometimes you make a wine more coarse than it should be and [it does] not have the balance, integrity, and finesse that the wine should have, whereas if you get the clarity of the wine a bit better and you're not really taking off other than maybe a slight edge with an egg white, and you don't filter it, then you can make a better product.

Hicke: Is it an advantage to be able to label it unfined and unfiltered?

Arrowood: Perhaps. I don't really know. This will be the first year, starting with '93 vintage, that we'll put "unfiltered" in red print on the label. We've always talked about it. I put a little strip label on the back that says we chose not to filter the wine, and we've done a lot of P.R. [public relations] in that regard, but we've never really spent much time on the labeling. We just try to make the best wine we can. And it makes sense now that we want to put it on there. I think it's something that we may want to use that people will pick up on. It can be a better wine because we've done less to it. That's the whole point of the thing: less processing.

Hence, the point I was trying to make is that if we did do less to the product to make more of the product--not more quantity but more quality of the product by doing less to it--you do take a little bit of an actual risk if you have other microorganisms that can be in the wine that in fact would cause the wine to spoil. That risk is always there. However, if you keep a clean enough plant, and that's the thing that we try to do the most--keep the plant as clean as possible. If the plant is really clean and sanitary, then what's positive about the whole scenario is that you're allowed to do less to the product and produce hopefully a better quality wine.

We think we've done that. We've gotten away from filtration on practically everything that we've produced, other than a wine that might have some residual sugar in it, like a late harvest Riesling--that still will have to be polishfiltered. Our Chardonnays now are only rough-filtered, very coarsely filtered through diatonaceous earth, with the exception of our reserves, and those are also, like all of our reds, generally not filtered or fined in any way, shape, or form. So that all plays a part I think in producing a better product for us.

## A Smaller Winery--The Personal Touch

Hicke: Well, that's one change in both winemaking and equipment. Are there other things that have changed?

Arrowood: Well, again, producing 20,000 or 25,000 cases, as a winemaker I can focus my attention on those wines more than I can when I produced a quarter of a million cases. Which is not to say--and I want to make sure it's clear--that Chateau St. Jean isn't doing a good job. Don Van Staaveren, who's the winemaster there now, is a great winemaker doing a hell of a job. But there's

only so much time that he can devote to producing a given quantity of top-quality wine, just as I did when I was there.

One of the other things that I had going against me when I was at Chateau St. Jean was that I was also involved with a lot of the politics of the organization, being on the board, et cetera. That took a lot of time away, and of course it seemed they'd always like to have a board meeting in the middle of harvest. I mean, do you want me to be a winemaker, or do you want me to sit around and shuffle papers with the rest of the Japanese businessmen? There's only so much one can do.

So here, we have a very centralized decision-making process, only because we're small enough to be centralized. Most of the time, centralization of decision-making is thought to be negative. Here, because there's only one facility, it's very easy and mostly positive.

Hicke: How does the personal touch impact the wine?

Well, I think just because I'm out there, again, crushing every Arrowood: load like I used to do at Chateau St. Jean, I see what's happening, I get involved with the decision-making of the processes of pressing, the racking, the clarification, the fermentation, all the things that go along with making the wines.

Can you give me an example of how your being there might make Hicke: some difference?

Well, on a daily basis, when I come into the office, I work with Arrowood: our winemaker here very closely as to what the day's duties are going to be. Granted, I'm not necessarily dragging hoses every day, but during the harvest, I do a little of that, too. Basically, other than that, I'm involved with the day-to-day decision-making on what we're doing with a particular wine or how the wine is being processed, the aging regime that it might have. So specifically, it encompasses all of the winemaking projects.

> The difference between production on a larger scale, where you're producing a half million cases of wine, and production here, where you're producing 25,000 cases of wine, is that you can identify the individual lots that you're working on and taste them, stay on top of what's happening with the product, be involved intimately with it. You can do much the same thing, but on a much less personal basis, with a larger operation. There's only so much time, only so much human time available to spend on each individual lot. Arrowood Winery grew from only two wines, Chardonnay and Cabernet, to now over eight different

lots that we deal with: starting with Chardonnay, Cabernet, Merlot, we now have a Malbec program, and produce a little tiny bit of Malbec. We also produce small quantities of Viognier, we make Syrah, we make Pinot Blanc, Late Harvest Riesling and occasionally a Late Harvest Viognier.

That gives excitement and flexibility to our winemaking program. You can spend the time necessary for the individual product to make sure that not only is the quality assured, but the quality is hopefully improved, improved based on the attention that you give the wine. Now, here's the thing: you start with the best grapes—and we do our damnedest to secure the best grapes. We've good relationships with many growers throughout Sonoma County. We only buy in Sonoma County, and/or grow in Sonoma County. If you start with the best, the things that you're doing—[tape interruption]

Hicke: Okay, let's go on.

Arrowood: Well, again, as I say, if you start with the best fruit available and you can give the attention to the detail of making sure you're seeing it from the time the grapes come to the crusher to the time the wine is put in the bottle and aged further, that attention to detail requires a lot of dedication and time. Other than not allowing the winemaking to interfere too much with my "sporting clays" shooting and flyfishing--you have to set your priorities as you get older you know--but other than that, that's really what I focus on.

Hicke: And in a large winery, would you spend more of your time on the select wines?

Arrowood: You'd spend a lot of your time on just internal operations and the politics and everything else that's involved there. That ties up at least 25 to 50 percent of your time.

Hicke: Is that right?

Arrowood: Absolutely. And so the good news about this is that, even though we may be centralized in our decision-making, and although we have a lot of decisions to make, still this is such a small operation that you can focus on the things that you really want to do. So it's not, "Gosh, we forgot to rack that wine a month ago, we'd better get on it right now," it's like, "Don't forget, we've got to remember to rack this wine tomorrow, because it looks like--et cetera" and it's not just me telling our winemaker, as winemaster, telling our winemaker what to do. He sees a lot of this himself, but it's two heads doing some thinking on the thing, so that you can pay attention and make

sure tasks are done the way they're done, the way they're supposed to be done, and when they're supposed to be done.

All this sounds like it involves more manipulation, when indeed it involves less manipulation. We're doing less to the product, so we're letting the product settle naturally when we rack, we don't add a lot of clarifying materials to the wine if at all, but when we do add some materials to get them clearer, we do it at the very end just prior to bottling. So we do as much as possible let Mother Nature take its normal course, making sure barrels are kept topped up, making sure that we do the analysis in a timely fashion so that the analysis is useful to us to make any decisions that have to be made on the health of the product. You most certainly can do this on a larger scale, but the wines can't take on the winemaker's personality as much because you can't spend as much time on each individual lot.

Hicke:

That's a good comparison, I think, between the duties you carried out at Chateau St. Jean and what you do here.

Arrowood:

Yes. And again, I think the time I spent at St. Jean, the majority of those sixteen years that I spent there, were really a combination of either running the winery by myself or running the winery in conjunction with others, which was primarily the way it was towards the latter part of my career with them, working with people that I had a lot of respect for and unfortunately sometimes working with people I didn't have much respect for, and those could interfere or add to, depends on how you look at it, to how ultimately the wines would turn out.

The good news was, especially when we were starting to make our name at Chateau St. Jean, I was pretty much left alone to be able to do the winemaking aspects. That's how we built the Chateau St. Jean name. It's interesting that a lot of the information that comes out of the Chateau now doesn't even mention my contribution to the winery. I never existed there. You sort of expect that, but when they write you out of the history of it, which I find kind of fascinating, it still seems strange.

When I left, it was funny, because it felt like the old building went from being a part of me to simply bricks and mortar; it was just a shell of a building, nothing more. It didn't really bother me. It really didn't, as much as I thought it would.

Hicke:

Made it easier to leave?

Arrowood: Much easier to leave, much easier to leave. Because I had a new love, and it was here. [tape interruption]

# Yeasts and Fermentation

Hicke: Let me ask about yeasts and fermentation.

Arrowood: Well, a lot of the things that we're doing here revolve around selected strains of yeast that we find work really well for a particular type of variety of grape to work with. So for our Chardonnays, we use probably three or four different yeast on a continual basis anchored with prisse de mousse, as our primary strain that we use. For Cabernet Sauvignon and the red varieties, we use another cultured strain, combination of both K-1, which is a Saccharomyces cerevisiae, and also prisse de mousse, depending on how much fruitiness we want out of the wine.

By and large, we do use almost all cultured yeast. don't encourage any, if you want to call it this, native indigenous yeast. I'm not so sure that indigenous yeast ever produce a natural fermentation. I've always believed in this only because if a winery has been in business for a period of time and has been spreading pomace in the vineyard and uses cultured yeast, those cultured yeasts are going to establish themselves not only in the winery building but in the vineyards and on all the grapes. Therefore, I'm not so sure that you could really classify them as indigenous yeast. I know a lot of winemakers--David Ramey and a few others--do a fair amount of this and feel very strongly about it. We tried this on one small lot of Chardonnay last year. It worked, but it didn't excite me as having better flavor profile or mouth feel or anything else that those using native yeast fermentation were talking about. We took steps to make sure that it was as indigenous as possible. But I'm really not sure that our own cultured yeast didn't somehow start the fermentation after all.

The thing that I think is so important to us is that with yeast types, what I'm really looking for is a clean, expected, uniform fermentation without the need to add a tremendous amount of additional nutrient. We do use yeast food in most of our fermentations just to make sure that there's enough micronutrients available for the fermentation to go to completeness. But right now it's more of an avoidance thing, making sure you get a good strain that does avoid the production of sulfides and other compounds that can lead to off-odors and things that can

eventually become part of the finished product, as compared to what major beneficial complexity does this particular yeast offer versus others.

There are some that produce more fruity fermentations, and ergo fruitier wines. There are some that have less of that fruity component to it, and you can mix and match on that basis. But there are so many cultured yeasts to choose from out there, I don't know that I need to risk the "indigenous," "native," "wild yeast" fermentations. I'm not convinced yet. Doesn't mean I can't change my mind, but I'm still learning. Never say never. I've said never too many times in the past. I never thought when I was at Chateau St. Jean that I'd ever consider, and now have, full-fledged production of "no filtration" reds. We used to do little experimental lots, but now all of our red wines are being bottled unfiltered. It's been that way for several years, and I think we've produced better wines because If we didn't keep as clean a facility, maybe we couldn't do that. Like any other winery [owner], I do worry a little bit about brettanomyces and other spoilage yeast like dekkora and the like. Since we're aware of it, we try to keep a clean facility, and keeping that clean facility allows us, I think, the freedom to again do some of the things that we do.

Since our wines are stable when they're bottled, vis-a-vis not malic positive and no residual fermentable sugar left in the product, there's not much that's likely to happen. We use a little bit of  $SO_2$  at the time of bottling, so not much is going to put the wine at spoilage risk.

Hicke: You can test for that?

Arrowood:

Oh, yes. Absolutely. In minimal quantities, you're going to see some spoilage microbes that grapes have naturally occurring on them. It's just how much we let them get a foothold on the juice and wine. The dirtier a facility, the more chance they have to survive and propagate. Now, there are some wine writers that believe that perhaps a little of that adds complexity. The problem is, how do you control a little versus a contamination situation? So we want to keep it as subdued as possible by keeping things as clean as possible, and not take a chance with that. Because I don't think the flavor nuances that are given to be derived from a brettanomyces infection are worth the chance that you're taking to get that extra little bit of complexity. Sometimes it's good, most of the time it's not so good; actually, I'd say the majority of the time, it's not so good.

# Cooperage

Hicke: To switch topics here, tell me about cooperage.

Arrowood: Well, we've done a lot of experimentation with various oaks, trying to find what we consider to be the best cooperage houses. I would say for the most part, at least for our reds, we've now zeroed in on one primary house, which is kind of unusual to do, but they have been very consistent for us and they have worked very well to retain our business. The company is Seguin Moreau [Napa Cooperage] for our French oak, for our reds, and in addition we've been doing some experimentation on American oak that they've also produced for our reds. We've experimented with other American oak but had some mixed results: some good, some not so good. By and large, Seguin Moreau has done a very, very good job for us, and we plan to continue with them as our primary source for outstanding cooperage.

As far as our white wines are concerned, we've been primarily using the cooperage house of Claude Gillet, and besides Gillet, we've just started to increase our orders for cooperage from the Louis Latour firm. To my knowledge Latour barrels are the most expensive French oak you can find in the marketplace today. They're well over \$725 apiece; very expensive, but they do impart a very unique and very special hazelnut toastiness to the wine that we really like. It seems to be worth it. We've used some barrels from Daragauld Jagle, and also have experimented with some barrels from Tarransaud. In addition, we've experimented with barrels from Francois Frére. But I would say right now, our leaning is going to be towards more Louis Latour barrels. They are terribly expensive, but the overall quality is, again, exceptional.

Hicke: How long do you use the barrels?

Arrowood: Normally, four or five years tops, Louis Latour maybe six.

Louis Latour's actually give us another year, almost two years, not because they're expensive, it's just the stays are thicker and they seem to last a little longer and the flavor continues to be given up. And of course, with our second label, we have a spot for those older barrels for a year or two. Then we eventually sell them to somebody else.

The only thing that was negative with the Gillet barrels, I will say, is that it just seemed like there was a period of time there where he wasn't getting as fully dried wood as we wanted, and I think some of them were a little more sappy than they should have been. That problem was solved, and we're now doing

much, much better with them. I was the first person to bring in Claude Gillet barrels at Chateau St. Jean. I brought the first six into the country, way back in 1975 and '76, I guess it was.

Hicke: How did you find them?

Just by pure chance. I was touring Burgundy on one of my trips, Arrowood: and a friend said, "I want you to meet M. Gillet," and then on the next trip after I met Alis, and since Alis is a French Canadian fluent in French, we went over and again met with Claude. Unfortunately he speaks no English at all, so Alis bargained for both Chateau St. Jean and a couple of other wineries to bring in the first couple of containers of his barrels, and his export business has kind of grown from there. I believe he now sells to a lot of wineries: Kenwood, Souverain, Ferrari-Carano, Chateau St. Jean, and a few others. He's a great guy, but for us, as we go along, I think we used Gillet at the time because they were more reasonable than some of the other barrels, and they were very, very good. But now, very, very good is not as important to me as exceptional. As we can afford to buy exceptional, we do exceptional. Doesn't mean he can't produce more exceptional cooperage; he just needs a little more time on his drying and wood selection.

Seguin Moreau produces exceptional wood. They're expensive; they're not as expensive as Latour, but they are expensive. They make some great American oak, which is probably some of the most expensive American oak you can buy. You're paying upwards of \$200 apiece for them, but I'm more excited about what we see out of that for the potential of the blend-in. We've always used American oak in our red program. It's been anywhere from 20 to 30 percent; right now we're at right about 25 percent American oak for the red program. We've experimented with some American oak for our white program in the second label, and it's worked okay for the second label. It's just too coarse of an oak for most white wines, but if you use a little bit of new American oak and blend that in with some older French oak, it appears to work fine, for, again, our second label.

Hicke: When you say a coarse oak, you don't mean the texture of the wood?

Arrowood: No, I mean the flavor impartation is more coarse, the palate is coarser. Therefore, if it was all American oak we were using, I feel it would be too much. The big difference is that if you're selling the Chardonnay meant to retail for around twenty dollars a bottle, you should be able to afford the best oak possible. If you have a Chardonnay that you're selling for a suggested

retail of eight, nine, or ten dollars a bottle, it's a little harder to justify using the most expensive oak.

Hicke: Do you specify the amount of toasting?

Arrowood: We have in the past, but right now, like Louis Latour barrels, most of them are medium, medium heavy, to heavy toast. We tell them what we want to use them for, for example, Chardonnay, and they toast accordingly. Gillet is almost all heavy toast, for Chardonnay purposes. Seguin Moreau we don't specify toast levels at all. I tell them, "We're going to be putting in Cabernet and its related sister varieties; give me what you've been giving me. Don't change it." So the toast level we have is probably, I'd say, medium-plus.

### Bottles and Corks

Hicke: How about bottles? Corks?

Arrowood: Well, with wine bottles, not too bad. We've more or less done all right. We bounce all over the map with whomever has the proper bottle mold. Right now we're with California Glass Company, and of course, they bring in glass from a lot of different suppliers. We're using some of the import bottles for our reserve Chardonnay, our Pinot Blanc, our Viognier. Our Syrah will be going into that package also when we bottle it in August. That was a new package that we brought in because it fit the style of the image we wish to project.

I think that glass has not been a major problem in general, at least not currently. I mean, there were always problems. You order a particular mold type, they can't get that; they get you a different finish, the neck finish doesn't match the capsules. There's always been all sorts of fun with that, but that's typical. It's just, no matter how much you stay on top of it, no matter how much attention you give it, there's always something that lurks in the back, and that's why you have to have some flexibility. We're not big enough to warehouse thousands and thousands of cases of glass, so we try to plan when we're going to need glass way in advance. Sometimes it works, other times it doesn't. It's all part of dealing with your packaging suppliers.

Cork has been another story. We have been all over the map with corks, but I am pleased to say that we stuck with one supplier through thick and thin, which is Cork Supply

International. We're currently using their peroxide bleached corks, which seem to have avoided a lot of the "corked" character you get from time to time. It has been discovered that the cause of the cork taint problem was mostly a problem with corks that had been bleached and chlorinated. Chlorinated corks can have formed in the pores of the cork a compound called trichloro anisole. A very odiferous substance that smells of wet, moldy wood and can be detected in as small amounts as 5 to 10 parts per trillion!

The first thing we did was get away from chlorine bleached corks and get into unbleached corks. That reduced the problem considerably, but it didn't eliminate it, I don't know why. I suspect some chlorine bleached material was finding its way into the lots. More research was done on the cork suppliers' end, and then the peroxide bleached corks came out--very expensive, but much less problems with corked bottles of wine were found. Not eliminated, mind you, but greatly reduced. I mean, we still get an occasional "corked" bottle. But not to the extent that it used to be. There was a time when we could have had as much as 1 to 3 percent of corked bottles! That's scary. Many wineries had higher incidences than that. We had a batch of corks that we found on the last two pallets of 1989 Chardonnay, that never got out of this winery, where the bag that was used to make those two corks was completely tainted.

Hicke: The bag they were shipped in?

Arrowood: The bag they were shipped in. I mean, we didn't even know it until at the very end of our release when we found every bottle corked, that we sampled. We stamped them, "Not for consumption," and they did what they wanted with them.

Hicke: How did you find it?

Arrowood: [laughs] We pulled the cork on a bottle of wine and poured it, and it was dreadful. It was one of the last bottles at the end of the run, and it just happened to be that we grabbed one of those. So I started going through and I pulled another one and another one and another one, and I said, "We've got a problem here." Then I went up to the last bag, because we marked our bags of thousand, and smelled the bag, there was still some left in it, and it would bowl you over with the amount of that corky component to it.

So they didn't argue with us, took it back. That was probably close to a \$15,000 hit for them.

Hicke: That was only fair.

Arrowood: Well, sure, exactly. It was something that just had to be dealt with. But since that time, [knocks on wood] we've had very, very few problems. When the so-called tin lead capsule problem came about, for a little company trying to survive, that couldn't have happened at a worse time. It was the best thing that we ever did, however, because we got the right spinner that handled the new tin capsules and gave our line a little better resiliency, as far as its ability to produce the number of bottles per minute we want. We still only bottle twenty-seven to twenty-nine bottles a minute, but it does the quality job we want.

Hicke: Where did you get that bottling machine?

Arrowood: That came from Enotech. It's a six-head Italian spinner called a Norton spinner. Before that, of course, we were using tin lead; which was more malleable, so we could get away with a one-headed spinner. Now we needed a six-head spinner that would do the job for us, but this machine would take care of tin and would do it at the speeds that we wanted to, and if we ever decide to expand the line, it has the capability to do up to about fifty bottles a minute.

The tin lead thing was typical, I think--a hoax foisted on the industry from Prop. 65, a provision for the neo-Pros to use against the wine industry. It was a way the neo-Prohibitionists could get into the wine [challenge the wine industry], because, well, "60 Minutes" hadn't occurred yet, but there was all sorts of talk about the benefits of moderate consumption of wine and this, that, and the other, and this was one of the few things that they could do; so they tried to attack us on the tin lead basis, which really was a smokescreen. What they really wanted was to prohibit wine production and eventual consumption.

Nonetheless, we switched over and went to tin. A lot of people have gone to the clear seal and the different type of lips on the bottle and so on and so forth, but for us right now, I think this is going to be the way we want to deal with it. I don't think I want to switch over to the foiless bottle. Tin is expensive and that little situation probably conservatively cost this company over \$150,000 in equipment and materials. Tin capsules are double the price of tin lead, but they don't have any lead in them, so I guess that's fine.

Hicke: Let me ask about labels. Tell me how you got your original one, and how that has evolved.

Arrowood: The first label was designed sort of in house, if you will. We try to keep things as much as possible in the family. My

brother-in-law, who designed the label, is a graphic artist living in Montreal, Canada. He'd done another wine label for a vermouth company, but it was really the only table wine label he'd ever produced. Jacques Roy came up with the label at his company "Design Communications."

We went out and looked at a lot of different wine labels. I showed him what I liked and what I didn't like. I had many graphic artists make presentations to us of labels that were more avant-garde and would have been great for a year or two and then destined for the junk pile. So we wanted something that had a little more traditional staying power to it and that looked more like a traditional style of label. So we went through and just looked at all the different things and said, "Here's what we like, here's what we don't like," and he came up with several different designs. The final one that we came on with is the one that we are currently using. Very traditional, fairly staid, but I think it's one that will be with us for a long time, I believe.

Hicke: And you've kept the same label?

Arrowood: Yes, haven't really changed it.

### Other Labels: Domaine du Grand Archer; Smothers Brothers

Arrowood: And of course, I mentioned we have a second label, the Domaine du Grand Archer, or we just call it the "Grand Archer." And we make a little bit of wine for the Smothers brothers, Remick Ridge Ranch label. We have done that since the first wine we produced for them in '88. I've known Tom and Dick for as long as I--I think I met them the first time through my father, who was the escrow officer who closed the deal on Pat Paulsen's place in Cloverdale and so I knew Pat through my dad, and then I was introduced to the Smothers brothers through Pat Paulsen. This was back in 1974, and I've known them since then, so it's been, what, twenty, twenty-one years.

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Hicke: Since we're on that subject, I did want to ask you how you made the arrangements with them.

Arrowood: It just was one of those things that worked. Tom wanted to continue with his own label after the winery was dismantled in Santa Cruz. They had several wineries making their wines for a

period of time. They still produce their Mom's Favorite Red or Mom's Favorite White, that's done by another winery and also at their own facility. I think that it's just been a friendship that's gone on for a long, long period, one of those things that's worked both socially and in business, because we have good mutual friendship and trust of one another.

Frankly I do it for a reason. First of all, he's a friend. Secondly, we do use his grapes occasionally; he accounts for up to 35 percent of the fruit we bring in from Sonoma Valley, one of our largest growers last year and one of our largest this year. We bring in Cabernet Sauvignon, Chardonnay, and Merlot, and he and his wife Marcy have got some excellent quality fruit. I want to continue receiving that fruit, so this is just another way to insure that we both can benefit from the relationship.

We don't make any money really at it, doing this. It's sort of a break-even type proposition. But it gives him some wine that he's pleased with, coming from Remick Ridge Ranch, which is where he and his wife Marcy and son Bo live. They have about 130 plus acres with 26 to 29 acres under cultivation. I'd like them to expand on it a little bit and try to bring it up to near thirty-five acres perhaps.

# Vineyards and Vineyard Management

Hicke:

That's kind of a good lead-in, because I wanted to go back and ask you how you get your grapes and about the general vineyard management.

Arrowood:

Well, our sources of fruit have been from various vineyards throughout Sonoma County, through the different grower relationships that I've had over the years since I've been in the business. I started in 1965. This is my thirtieth year in the business, so I've had a chance to meet a lot of growers who have gone with me from one winery to the next. I don't get a tremendous amount of tonnage from many of them, because we're so small. But we've been able to tie up some pretty good long-term contractual arrangements with many of the people that I've known for a long time. There are the dedicated growers who have helped to make us as successful as we've become.

Also, Alis and I, now that we've been successful enough, have started to branch out a little bit, locking in some of the vineyards. We have a little ten-acre parcel up in Healdsburg that we're in the midst of bringing under lease/purchase option,

and that's all in Merlot and a little, tiny bit of Malbec. We hopefully have a relationship that will be developing again under a lease/purchase situation like our neighbor next door, and I suspect that that will be the case.

By and large, the majority of fruit we have, 75-80 percent of the fruit, is under long-term contracts. So it's through relationships that I've had over the years, and it's worked pretty well, and very few growers have jumped on board and jumped off or vice versa.

Hicke: Well, that answers my question about long-term contracts.

Yes, most of these are all what we call three-year, evergreen-Arrowood: type contracts, so they just continue to renew themselves every year if neither party gives notice to terminate, and that's a comfortable one, because if somebody says, "Well, I've sold my vineyard, I'm taking off," that's great, but what do I do now for the following year? Say for example Kendall-Jackson is going to take it over, we at least have three years to replace that vineyard, if they decide that they don't want to sell to A couple of those properties have changed hands and the growers that have purchased the vineyard have said, "Jeez, no, we don't want to change; we want to continue. Let's continue. You want more fruit, you want us to plant some more?" that kind of thing. So it's been just the opposite of what you might worry about, but it's nice to have those assigns to the different parties if they change ownership, at least you have time to react to it.

Hicke: What is your participation in the decisions about harvesting the grapes?

Arrowood: Basically, total. The contracts are what we call a mutual cooperative type viticultural work, so that we suggest—we don't dictate to the grower what to do, but we suggest the things that we want done. Pricing, of course, is discussed openly, and we've never had to go to the bargaining table on arbitration to decide on prices, because it never gets to that point. If you want the fruit, you want the fruit, so what makes sense? But it's sort of a cooperative effort, if you will, on the growth of the fruit, crop levels, everything else.

We're working with growers, to give you an example, like Saralee and Richard Kunde. These are just two, out of many growers that we have, but two of the nicest people you'd ever want to deal with.

Hicke: Out of Alexander Valley?

No, they're in Russian River Valley. They have Sonoma Arrowood: Grapevines, which produces a good number of the rootstock and bench grafts for California viticulture and all around the United States, in fact. They're very cooperative and very, very agreeable to just about anything you want. They put the Viognier in for us, put some Pinot Blanc in. They always say, "Would you like to try this? How about some Syrah?" For me it's like a kid in a candy store. It's great, because they're extremely helpful, and do whatever you want. And that I like. I like to work with people like that. Plus they're very pleasant to deal with, although they want a return on their investment too, and they have every right to expect that. The response is, What can we do to help you? What can we do to make the fruit better? We need to cut back over here a little bit. All right, we'll do it. Drop half the fruit on the ground, fine, whatever you want.

Hicke: What do they do actually? Are they a nursery?

Arrowood: They have Sonoma Grapevines, so they propagate and produce bench grafts, propagate nursery rootstock, and vines. And they sell widely; I'm sure we're just a small portion of their total marketing effort. I think we only probably buy maybe 10, 15 percent, but we use Saralee's Vineyard on our Pinot Blanc and on our Viognier and on the Syrah, so they get a little recognition on a vineyard designate on our program. They own the vineyards. They plant whatever we want. So they're nice to work with. It's been a pleasure to deal with people like that. In addition both Saralee and Richard support Sonoma County's agribusiness possibly to a greater extent than anyone else in the county.

Occasionally you get a few growers that don't understand, and they don't do it for a business, and so everything's extra crazy at the time of harvest. When that happens more than a couple of times, you usually look elsewhere, because you've got to have people that are mentally capable of doing these things. It doesn't happen very often, though. I would say in my history of winemaking, it's probably four or five growers out of all those years that I've just not wanted to work with further, and a couple of those growers I can think of were only a problem just because they were in a different county besides Sonoma. In other areas, it was just that they weren't attuned to what the winery's needs were to produce the best wine.

You know, winemakers are all--we're a crazy bunch. There's no doubt about it. But most winemakers are passionate in what they do.

Hicke: Artists.

Arrowood: Yes, I guess it bodes well for explaining why we're a little on the nutty side. But if you want to try to produce a product, hand-craft a product that is singularly interesting and complex and flavorful and desirable by the public, you have to have the cooperation—or grow your own—you have to have the cooperation of the grower to make sure Mother Nature gives you her best potential. Otherwise you can't do your job. Your palette is limited. You don't get any blues and greens to paint with; you only get red and yellow.

Hicke: [laughs] And white.

Arrowood: That's right, and lots of white. And that's no fun. So it takes that type of cooperation.

Hicke: Do you have anything to say about canopy management and other viticultural developments?

Arrowood: Well, we try our best to make sure that as soon as that fruit sets, we do open the fruit to the sunlight; we thin leaves as much as possible, and our shoot thinning is done as early as possible. If you think about it, on most fruit crops, when you go through and thin, what do you thin for? Size of fruit. What do you thin apples for? To get littler apples? No. You thin it because you want to get bigger apples. What happens when you thin grapes? If you thin at the wrong time, they'll bloat in size. They'll make up for less crop. I've seen it done time and time again: you drop half the crop on the ground, what happens to the berries? They get bigger. It's not what you want them to do, right? Well. And so that's the whole thing. After all, table grapes are sized in much the same way.

So it's when you crop thin, that's very important; if you do it early, the berries don't get too exceptionally big, but the intensity is markedly improved. Plus if you dense plant the vineyards so you have more vines per acre, more energy to less fruit on more vines, and the nutrients are shared among more vines, it tends to be devigorated and therefore it just gives the energy it needed to just a few clusters. Instead of having fifteen or twenty pounds per vine, maybe you only have two or three or four pounds per vine, makes a big difference. And if you do it early, if you make sure if there's any thinning necessary you do it early, the vines don't tend to pump the berries up. But if you do it later in the season, the berries get bigger.

I can give you examples of cases where we've dropped 50 percent of the fruit on the ground and still thought there was too much halfway in the growing season. The berries were

already sized. We dropped another 25 percent, and we still harvested seven tons to the acre off of that vineyard, and it shocked the hell out of us, because we thought we should have had only about three tons to the acre. And that was because those berries got bigger. That's not what you want to do. So you have to understand, canopy management is good, and that's very important, especially with Cabernet and Chardonnay, but especially Cabernet, to get rid of that vegetative character, to get sunlight on it early so the grapes don't burn, you open it up, and plus they get air flow, and that's very, very good. But when you size your crop I think is just as important, when you go through and decide what you want to do; and the earlier the better, but not before set. Don't--a lot of people say--go out and thin those shoots. Don't, don't take off the frame clusters before they fertilize themselves and set.

Hicke: What about irrigation?

Arrowood: Well, most of the vineyards we deal with now have a system where they can be dripped if necessary, and irrigation is not necessarily a bad thing if it's done properly, but where irrigation becomes a problem is when it's just done: "Every year we irrigate at this time." No plan, no need, just rote watering.

Hicke: Without thought.

Arrowood: Exactly. You look at the soil profile and find out the moisture content in the soil profile and find out where it is, and then react on that basis.

Hicke: And do you work with the growers on this?

Arrowood: Very much so.

Hicke: Do you depend on their judgment?

Arrowood: We depend a lot on their own expertise, but we've talked with them on occasion as to what they think, and should we go ahead and drip this or not, or this, that, and the other. For the most part however, most of our growers handle that on their own. We don't have to go in and babysit them. That's why we have the growers that we do. They are the professionals and know their land better than anyone else.

Hicke: I'm not even going to ask about phylloxera.

Arrowood: Well, yes, phylloxera is manifesting itself like everybody has seen, but I think it's more of a blessing in disguise. Now,

it's hard to tell that to somebody who's just had to replant and spend hundreds of thousands to do so, but in the long run, it's going to come back to give us a better quality product. It's just going to improve this industry. There's no doubt in my mind about it. It's painful right now, but it's going to have a purgative effect, and it's going to be far better when it's all done.

# Marketing

Hicke: Okay. Switching over to the marketing aspect, how did you determine your price niche, to start off with?

Arrowood: We used the SWAG method--you know, the scientific, wild-ass guess. [laughter] You try to decide what your competitive universe is and where you want to do your market fighting. We decided the ultra-premium category is where we thought we could make our biggest statement, so that's what we did.

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#### VI SONOMA COUNTY

[Interview 3: February 6, 1996]##

### Evolution of Winegrowing

Hicke:

Since we're going to talk to Alis about the marketing, I'm going to skip that part with you, and what I'd like to do is to go back a little bit and talk about Sonoma County wines in general, and how you think that they have evolved. What was it like when you first came, as compared with what it is now?

R. Arrowood:

Well, I think the more things have changed in Sonoma County, the more they remain the same. I think Sonoma County growers have always felt uneasy about the second-place seat that somehow the press has managed to give to Sonoma over Napa, which is really unfortunate, because if you--it's a cliche, I'm sure, but I'll say it anyway--if you look at all the awards given to wineries in California over the past ten, fifteen, twenty, thirty, forty, or fifty years even, the vast majority goes to Sonoma County, far in excess of any other area.

Now, I'm not trying to be altruistic towards Sonoma County against Napa, but we are a fine-wine-growing region and I don't think we're second to anybody, any more than Napa is second to anybody.

Hicke:

No, and it's also interesting, I think we may have discussed that wine-growing actually started here--

R. Arrowood:

Absolutely. Commercial viticulture occurred right here in Sonoma Valley back in the early days.

Hicke:

I wonder how Napa got this reputation.

R. Arrowood:

Well, the old joke about it is that Napa has the sizzle and Sonoma's got the steak. I think what really you have here is the situation that Napa has done its promotion a lot better than Sonoma has in the past, and they've done very, very well There's no doubt about it, there's still an with it. impression in the press, for instance--I'll give you a personal example -- that Napa County makes the best Cabernet, Sonoma County makes the best Chardonnay. Where in fact, I think that both counties have some equal examples of great successes, many successes, in both arenas; I just think they're different. Just as Pomerol is different from Pauillac is different than St. Julien is different than St. Estèphe or St. Emilion. I mean, they're all different areas, and the appellations and the viticultural areas within those appellations give different flavors and nuances. know that you can say that one is best. I mean, anybody can say it, but the problem is, I guess, I don't know that you could definitively prove to somebody that one is better over the other.

I think Sonoma County was chosen by me [because of] two things: that obviously, we go to Sonoma County only because I'm a native here, so that's the prejudicial issue of it. Secondly, I really believe inside that there are more variables in the viticultural areas, the microclimates, in Sonoma County than in any other area in California. There's just more to choose from.

When we say fine grapes from Sonoma County, fine wines from Sonoma County, that covers an awfully large spectrum for us, and we're very little. It covers a very large spectrum for many wineries. Take Chateau St. Jean, for instance. I believe they're still, if I'm not mistaken, if they're not 100 percent from Sonoma County, they're close to 100 percent from Sonoma County. They believe in that, and we believe in it, because the choices and the opportunities are just so many that if you can't find a spot in Sonoma County to make what you want, then you're really not looking hard enough, because the growing areas, soil types, the geology, the geography of the county itself is so varied, you ought to be able to do just about anything you want to do, from Pinot Noir to Cabernet Sauvignon. Two extremes of cool to warmer climate fruit, and everything in between.

So Sonoma County--it's not necessarily evolved, it's just been more rediscovered, I guess, than what it was in the past.

### Appellations

Hicke:

What about appellations? Have you been involved in that?

R. Arrowood:

Yes, actually, I was on the first group that put together the Sonoma appellation--Sonoma Valley--and defined it, when the government was holding their appellation hearings, which unfortunately was a bit of a folly, because if you're really going to define an appellation, you have to define it geographically and not politically. And the problem is, they were originally designed geographically--watershed areas, et cetera--but then the boundaries started getting skewed because it had to do with politics.

When I was a kid growing up, Alexander Valley ended way before--it was right at Zanzies Corner, so to speak, just this side of Asti. Now, Alexander Valley goes to the Mendocino County line. Well, that's absurd. Cloverdale is not in Alexander Valley, never has been, never will be; except by political statement from the BATF, it is now in Alexander Valley. I shudder to think that southern Sonoma may end up in northern Bakersfield. [laughter] It's just-it's a little crazy, but I just think that the politics played more important roles, and you had some growers on the cusp, and they're saying, "Well, damnit, my vineyard should be in Alexander Valley." Of course, it never was before, but all of a sudden now, because Alexander Valley has more meaning, for instance, as an example, now they want to be a player, want to be a part of that. I mean, I can't blame them, but I can't say that it's correct.

Sonoma Valley: we enlarged Sonoma Valley per se to include Bennett Valley. Now, there's nothing wrong with Bennett Valley fruit, but Bennett Valley has quite a bit different soil conditions and heat summations than Sonoma Valley has. And it's a different watershed. But politically, we've sort of had to do that.

The person who did the most work, I suppose, on Sonoma Valley appellation was John Merritt, Bandiera Winery, and Jim Bundschu. Both of them put in a tremendous amount of time helping develop the Sonoma Valley appellation, but at the time I was president of the Sonoma Valley Vintners Association, and when we put that through, I think, if I'm not mistaken--I could be wrong here--but I think Sonoma Valley was the first appellation actually approved. If it wasn't, it would be second only to Napa, but I'm almost positive Sonoma was the first one that was approved.

Hicke:

It's interesting that, at least for myself, I think of Sonoma County wines and not Sonoma Valley wines.

R. Arrowood:

Oh, and me too. I mean, we're in Sonoma Valley, but we buy fruit from all over Sonoma County, so that the fact of the matter is, I think we grow some great grapes here in Sonoma Valley, but it isn't necessarily the finest of the fine of every particular variety. It has every particular varietal produced and every variety grown. I think that you can find spots. I mean, Sonoma Valley has a lot of very different microclimates within itself, from Sonoma Mountain all the way to Carneros, as you know.

But I think that what you have to look at is that I don't want to limit our palette of painting colors to just one specific appellation, one viticultural area within that appellation. So although Sonoma Valley is an important one-in fact, a very important one to us--as it accounts for 35-plus to 40 percent of our total production--we like to look at Alexander Valley, we like to look at Dry Creek, we like to look at Knights Valley, we like to look at Russian River Valley, and all those areas in between, and they are to play a part in bringing out the complexity of the wines that we produce.

Hicke:

Do you use the appellations on your labels?

R. Arrowood:

Well, generally, with a couple of vineyard-designated exceptions in Russian River Valley, mainly Saralee's Vineyard, and also the Preston Ranch and Oak Meadow Vineyards for late harvest Riesling in Russian River Valley, we don't have any vineyard-specific appellation. So basically Sonoma County is the main appellation we use, and then within the Sonoma County appellation, we will tell you on the back label what viticulture areas in Sonoma County the grapes came from. So other than some Viognier that says Saralee's Vineyard, Russian River Valley, other than some Syrah that says Saralee's Vineyard, Russian River Valley, and a few late harvest Rieslings, everything is Sonoma County appellation.

### Vineyards: Growth and Replanting

Hicke:

Tell me about the growth of vineyards in the county.

R. Arrowood:

Well, certainly with the rediscovery of phylloxera and its infestation within the county, it's starting to change the

landscape quite a bit with replanting, but that's all a very positive move. It's the old silver lining in the black cloud, because people are able to be replanting the true, if you will--true vineyard-specific sites are being planted with the right grape to the right area.

Sonoma County, unfortunately, up until twenty, twentyfive years ago, had a lot of commons planted. There were
some fine things planted, but there was still a lot of common
fruit out there. Fortunately, pioneers like Robert Young and
Ron and Henry Dick and Russ Green and Dale Goode and people
like this that did a lot of work, and Rod Strong, for that
matter, did a lot of work in various areas of Alexander
Valley and Russian River Valley. They upgraded the vineyards
from the more common varietals like Zinfandel, Early
Burgundy, Petite Sirah, Sauvignon Vert, Berger, etc. to
Chardonnay, Riesling, Merlot, Cabernet Sauvignon, etc.

Now, when I use the word common: in those days, Zinfandel was considered common, but old Zinfandel today is anything but common, because you can make some exquisite wines [from old vines]. The finest Zinfandels being produced are coming here from Sonoma County and perhaps Amador County. I don't think Napa is necessarily even considered a major player in the Zinfandel area. Dry Creek Valley certainly is a major Zinfandel producer.

It's taken some time, but I think that probably in the last twenty years, the evolution in Sonoma has made it a much more sophisticated viticultural area than what it was thought to be many years ago. In that twenty years, a lot has happened. Part of the sophistication, I suppose you could say, is because we as winemakers, not just one winemaker, but we as a group of winemakers have done a lot of pioneering in developing vineyard-specific varietals--many vineyards within one variety that all have different flavor nuances--and that's certainly helped it. We may have been a little bit before our time as we started doing this.

And for me, again, I've been there, done that, and I think it's great, but for the time being, anyway, I think I can produce at least a better noncommercial but very exciting and available wine, to some extent, by using the various positives from each of the vineyards, viticultural areas, to produce a whole that's better than each of its individual parts.

So I may go back if I find another property. We talked about this earlier, but you have to consider people like

Robert Young. I mean, there's a large chunk of land that encompasses Robert Young Vineyards, and a good chunk of that land is dedicated to Chardonnay, so if Chateau St. Jean uses the various blocks of Robert Young Chardonnay, they're not necessarily growing out of viticultural areas, but there are microclimactic differences within all the different blocks. So they have one large vineyard that has a lot of different microclimactic influences, and those influences basically result in what is almost--you could almost have a Robert Young Vineyards appellation within Alexander Valley. I mean, if the French can have a 4.5 acre appellation in Condrieu called Chateau Grillet, I mean, why not? We're silly if we don't think that we have those microclimates in that large plot of land, because we certainly do.

So to that extent, there are a lot of things that we could do to paint the palette within that area. And we had other vineyard-specific sites that we dealt with again when I was at Chateau St. Jean. I just decided to go the other direction, saying, Well, I don't have one particular grower that has enough fruit or a large enough vineyard area. Now, as we grow and develop more leases and/or purchases, we may choose to do some of that, some vineyard-specific sites, and go back into vineyard-designated wines to some extent. I'm not making an announcement here, I'm just speculating, but we're certainly keeping that door open and we may choose to do that.

## Fruit and Blending

Hicke:

You know, it strikes me as you were talking that the interest in blending that has developed, various Bordeaux blends and Meritage and all that, is not consumer-driven; is it the interest in the winemakers and winemasters in finding something different?

R. Arrowood:

Yes. I think the consumer-driven thing comes only from the result of you producing a product that the consumer says, "This is great. We'll buy some, and we'll buy some more, and we'll buy some more." They're voting with their dollars, so I think that it is consumer-driven to the extent that if you produce a product that somebody likes, they'll come back to it. But to simply use a vineyard-specific site as a name on a label and not have something that's so "definitively" different and so exceptional, like Robert Young Vineyards, or like Belle Terre Vineyards, is playing on that--that game

that people do play quite often, and that is put vineyardspecific names on labels that may not have site specific characteristics—the French word for this is "terroir." In fact, who knows what Smith Vineyards or Jones Vineyards or Mr. White or Mr. Green or Mr. Black have that's so unique and special?

I mean, we've proven that there is something unique and special about the grapes that come from Robert Young Vineyards. We've proven that there's something unique and special that comes from Belle Terre Vineyards. The same goes for Saralee's Vineyards in Russian River Valley. Certainly, Joe Heitz has proven that something unique and special comes from Martha's Vineyard, and the Fay Vineyard, and Ridge has done that with their production of Cabernet from specific vineyard sites, and so on and so forth. Pinot Noirs produced by Calera, the different blocks that Josh Jensen has right by the winery there, they are different; the soils are slightly different, the chemistry of the soils is different, and the wines taste different because of that, and he identifies them the same way.

And I have no reason to doubt it, because we identified all the Chardonnays at St. Jean the same way as we do here; we identify all of our Chardonnay lots separately, we just choose to blend them at the very end. But before we finally put it together, we taste them, and note that there's a big difference between each of the vineyards within the viticultural areas, and even within the same viticultural area there's a big difference.

Hicke:

In general, I think what you're saying is the winemaster blends and tries new ideas, and then responds to the consumer's response. But then when you find something that's very successful, why do you keep on changing styles or trying new styles?

R. Arrowood:

Well, I don't know that we are. I mean, to the extent that it is successful and it works, that's great. The problem is, will it continue to be successful? That's what happens. You have to be careful that once you develop a system--I mean, if you're ahead of everybody else, over time, people will catch up with you. So I forget who said that you never want to look over your shoulder because something might be gaining on you. I've always lived by an opposite philosophy, and that is I always look over my shoulder, because I want to see what's gaining on me, so I can decide to either speed up or maybe we can coast a little bit.

And I think you always have to [continue to] develop: have you made the penultimate wine from a specific vineyard? And if you've really identified that, and you have a particular house style that you have with that, there's no sense in changing it for the time being, but there may be sense in changing it three or four or five or ten years down the road, as somebody else catches up and more styles are produced that are similar to that, and you want to be different again.

Now, that means that you're just trying to do something different for the sake of being different. I suppose part of that's true, but on the other side of the coin, if you do it correctly, it says that you are open-minded enough. And speaking for myself [laughs], I'm not a very open-minded person; it takes me a long time to decide that, Okay, I want to change it. I have to see it enough times to be able to do it correctly. As you know, my avocation is shotgun sports shooting, I like to shoot sporting clays, and I really enjoy shotgun shooting. But I could liken it the same way: I have to see a target presented to me several times, and I have to shoot at it several times, and it has to be in that same position to finally decide, Okay, this is how you break this target, this is how you do it. So you practice, and you practice again, and you practice again.

Now, I'm not even close to becoming, and I never will become a professional trap shooter or a professional sporting clay shooter, but it really follows through the same thing in winemaking, which is that you can practice the same thing over and over again, but what if the target presentation (i.e. the marketplace), what if the market presentation changes and somebody else catches up with you? You have to react to it. You can't just say, "No, I'm just going to keep shooting in the same position and keep following through." Well, the target's in a different spot, you're not going to break it any more. If you keep making the wine the same way, day in and day out, and somebody else has changed their style to meet or eclipse yours such as by: filtration versus nonfiltration, malolactic versus nonmalolactic fermentation, barrel fermentation versus nonbarrel fermentation or partial barrel fermentation, sur lees aging of the new wines on the yeast lees, on the gross lees or on the semi-gross lees, then you must react if you wish to stay competitive. I mean, all these factors play a part in your development.

So as people's tastes evolve, everybody's trying to decide what is the best way to make Chardonnay, what is the best way to make Cabernet Sauvignon, what is the best way to

make Merlot? I don't know that you can answer that question. Again, it's like I've got to come back to something I enjoy and can easily relate to. What's the best way to shoot clays? Well, the best way to do it is what works for you, and what brings home the bacon, getting in competition or in this case, what brings home the bacon as far as the market of the product is concerned, and who in fact buys your product, and they continue to vote with their dollars.

### Changes in Ownership

Hicke:

Well, let me ask about ownership, small wineries and large corporate ownership. You told me quite a bit about that. Maybe you could just tell me in general what's happened in Sonoma County.

R. Arrowood:

Well, of course, with the pending sale of Chateau St. Jean to Mike Moone's group called Silverado Partners--I'm sure you've heard about that, obviously, and although it's not a done deal yet, when it closes it may well be the best thing that's happened to the Chateau in many, many years. Mike Moone is a prince of a guy. He's a grand schemer, he knows what's going on in the business. If anybody can turn that thing around and bring it back into the forefront and the spotlight that I think Chateau St. Jean still richly deserves, if anybody can do it, he can. So that example, I think, is going to be very positive.

But you have to have a very forward-thinking and very progressive-thinking person at the helm on that. There are not too many Mike Moones out there, in my opinion. Jess Jackson: damned good, damned good at what he does. He's also a forward-thinker and can develop a--I think quality is still his number one concern. I mean, quantity certainly is important, you've got to pay the bills and things, and you develop and get on that big marketing merry-go-round, but he seems to understand. He hires damned good people to run his operations for him. As far as the winemaking staff of the production team is concerned, they're tops. That's where it really has to start.

Marketing and sales: I don't mean to imply and I'm not implying that that's a simple situation. But unfortunately, it's a bit like dishwashing. If the chef doesn't prepare the meal, then you don't have any dishes to wash. But on the other side of the coin, with marketing and sales, if the chef

prepares the meal, somebody still has to deliver it to the customers waiting to eat! So you have to be very creative. A guy like--again I come back to this--a guy like Mike Moone and his people have the ability, not only to understand the production side and the quality with that side, but they also have an ability to be able to deliver the goods once they've produced it! They know how to market it and sell it properly. And that's really important. It's great to get the write-ups, and that's very important. If you don't have the press behind you, God bless you, but you're not going to do very well, no matter how good you think your wines are. If you can't get third-party endorsement, or you don't get third-party endorsement, you're probably not going to be successful in growing your brand.

I would be very surprised, when that deal with Chateau St. Jean goes through, if that particular corporate venture didn't blossom, reblossom again, have a complete renaissance of the Chateau, just like Mike did with Ed Sbragia at Beringer.

Hicke:

It sounds as if you're saying that the corporate ownership is not as important as who is the owner.

R. Arrowood:

That's exactly right. And I don't want--[laughs] I want to be careful here, not that I'm a careful person, but I don't want to name names of some of the bigger companies, but if you look at some of the larger liquor houses that own wineries and the things that they've done, they're insensitive to two things: growing grapes and production. It's a combination. Grape growing is wine growing, so I'm going to call those the same; production is producing products.

They've been insensitive to presenting the product to the public with the direction towards quality versus the quantity aspect, and so if you say, "Well, we're going to talk quality, but really what we're trying to say is we want to get a lot of case goods out there"--well, that comes right around and impinges on production again. The more you push on that--I mean, it's a real vicious circle that just, as it goes around, it gets worse, and it gets worse, and it gets worse, again as evidenced by--I don't want to say that there is a failing in Chateau St. Jean, but the perception, and in marketing, perception is reality, so the perception was that things changed. Dick Arrowood didn't--just because I left--didn't make Chateau St. Jean change. There were still many wines that I produced there that had yet to have been released, and did well, but after that, Don Von Staaveren

made his own wines; he's done a fantastic job--with Merlot, with Cabernet Sauvignon, with Robert Young Chardonnay, continually doing that job well.

I think what passed Chateau St. Jean by was perception. You can't produce hundreds of thousands of cases of Chardonnay and expect to have a perception that you're only producing 4,000 or 5,000 cases of Chardonnay. Now, they may only make 4,000 or 5,000 cases of Robert Young Chardonnay, or maybe 10,000, I don't know, but when I left, it was 4,000 or 5,000 cases. That's not very much Chardonnay, so there was a microwinery within a winery. And the perception of exclusivity was alive and well.

But when you produce 150,000 cases of, let's say, XYZ Sonoma County appellation Chardonnay, as you continue to push more of that out and you spend less time on it, unless you have a staff that's babysitting that all the time, it's tough to be able to control it. Now, I don't know; again, I don't have any inside track about what Mike Moone's going to do in his group. However, I have a general suspicion that they may rethink this big productivity thing just like they did with Beringer: spin that off to a different label, or whatever.

Think back twenty-five, thirty years ago, Beringer lost a tremendous amount of its original luster. Now, I never thought it would ever come back. Well, I was dead wrong on that. I mean, Beringer came back not only well but with a major vengeance in the quality arena, and is now one of the most key large corporate players. The perception of Beringer out there, however they've managed to do it, is that it's not a very large operation, number one, but number two, it's an extremely high quality operation. That's very true, it's extremely high quality. How small it is is an interesting question, but the fact of the matter is that the average consumer doesn't think that Beringer relates to a large winery as far as its size. It still has a perception of a very small operation, but an extremely high quality operation with an extremely high quality perception.

That didn't just happen by somebody just saying, "Oh, my goodness, today let's have Beringer be the good one." It didn't work that way. The winery worked it through and made it happen, brought the players in that were necessary, got the vineyards in the fruit source. The people that played a role in that all have themselves to thank and themselves to feel proud of, because they did it.

I think the same thing could happen with Chateau St. Jean, and I think the same thing will happen as many of the smaller wineries may be acquired by some of these types of organizations that come through. Sometimes it's a good marriage. Sometimes it's not.

If you want to sell your operation because you're tired of the business, and there are times when everybody gets tired of the business, but fortunately, those times are much rarer than the times that you're happy with the business, there's always that—as I said before, the rare cat breed like a Michael Moone out there. There are not many of them. I wish there were more, but there are not too many of them that have that ability to turn things to gold; not everybody has that Midas touch.

Unfortunately, some of them have the negative touch, the proverbial "brown thumb": they touch it and it starts to wilt. And that's unfortunate. But that comes really through just ignorance of the business, and not knowing when to leave things alone, and always having to try to say, "Well, I want to put my particular spin on it. I'm a corporate cat, I have my office in New York City, and I know how to put my spin on this, and I know what's better for the North Coast of Sonoma County than the people living there. I know what's better for Napa Valley than the people that are living and working there. I know what's better for Mendocino than the people that are living and working there."

That's just my opinion as I'm not much of a corporate person, because I find it's very difficult to relate to people that you don't respect. But it's easy to relate to people that you do respect. That doesn't mean I don't respect people in corporate environment; I do very much. But they have got to have paid their dues. Unfortunately that's often not the case.

Hicke: Sounds like something like an absentee landlord problem.

R. Arrowood: Sure, absolutely. You can't blame the people that are running the business for having a problem with it, if you don't give them the direction that's needed. And secondly, if you yourself lack insight into the business to give them the proper direction. But again, there are some fine examples, and although I think I could be wrong on this, I feel quite secure that if I was a betting man in this case, I would certainly put my money on Mr. Moone any day. I think he'll turn the perception of the brand around, and it's going to be a very positive thing to the majority of the people

that are there. I hope it works, because I'm very excited for them; I hope it works out beautifully.

## Wine Auctions and Other Activities

Hicke:

Okay, just speaking in general terms about the industry now, what do you think the effect of auctions and things like that have on the wine business?

R. Arrowood:

Oh, you know, personally, I have a real problem with the Sonoma County auction, and it's nothing really, just a personal thing. I think it's a Napa Valley wannabe, it's treated that way, and it's unfortunate. There are going to be some people who will agree and some who will disagree with me, I think, vehemently, and I respect their opinion, people like Saralee Kunde; I think she's, of course, a big auction fan; she's always there at the auction every year, and she's a major supporter of the auction.

The Sonoma Valley auction: talking about regional auctions, I find this auction to be a fascinating place to go to see people you want to talk to, but not so necessarily fascinating places if you're really trying to buy wine. If you want to support some good causes, no problem. Makes sense. That's certainly one way of doing it.

Hicke:

Do they affect the price of the wine?

R. Arrowood:

I think it probably does in Napa, it affects the perception, and again, the fact of the perception being probably reality, sure it does. Helping Sonoma County wines gain notoriety? I don't think so. But I might be wrong. I don't think it has the same cachet that Napa Valley's developed for itself. We can and should do something different. Why go through and copy somebody else's success? It's okay to look at somebody's style. It's all right to take a look at that and see if it works for you, but to try to go out and attempt to duplicate that, but do it cheaper and at the same time make it better? I just don't know.

Again, I enjoy the Sonoma Valley auction, because the Sonoma Valley pokes fun at the perceived Napa Valley stuffiness. But to give you an idea, last year, Robert Mondavi and Margrit Biever came over, which was very nice of them. I don't know how it was arranged, I think that some of the people in Sonoma Valley or Bob Henry, I think, at Sonoma

Mission Inn may have gotten him over here. I don't know how that was done, but they came over, and it was a great deal. I mean, all of a sudden people realized, There's the Mondavis. He was just supporting the fact that it's a wine auction, and wines are not necessarily site-specific as far as auctions are concerned, but it's a very beneficial thing for everybody, it's a good cause, and it brings people more into the philosophical and educational experience of wine consumption and wine--the social, good life, and all the things that they talk about. I thought that was very fascinating, because here's a guy that's got a very big heart.

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Hicke: You were just saying that you went to Japan--

R. Arrowood: Yes. As a matter of fact, I went to Japan with Robert and Margrit back in 1987, I think it was. The guy's got more energy than I'll ever have. Just at his age now, he just seems like he's got filament in his light bulb, that just continues to glow ever more brightly. I don't necessarily envy it; I'm just awed by it. A super winemaker of the first order.

I think Sonoma Valley always tried to poke fun at the stuffiness of the Napa Valley auction, when in fact they're just two different places. Sonoma Valley is laid back, we still have fun, the funds are going to some great causes, and all that's important, and we all have a good time, but we don't have any black tie events or anything like that. So our local color always has fun drawing that out and joking with it.

In general, we support our local auction in Sonoma Valley because it's a little less pretentious, that's all. But I don't think we should try to tie ourselves into the--I don't want to call it plagiarism, but just saying hey, we're as good as Napa also. We're just different. It's important.

Okay, well, let me ask you a little bit about your professional activities and some of the associations you belong to. I know you belong to a variety of them, but let's start with Sonoma County Wineries Association.

R. Arrowood: Well, of late, I've kind of backed out of there almost completely, just because I'm not real pleased with some of the direction I saw it going. I was on the board of directors there for a short period of time, a couple of

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Hicke:

years, and I've done that off and on, but it's like anything else: I guess you get out what you put in, and I'd be the first one to admit that during those times, I had a lot of things happening, not the least of which was unfriendly banks, and you've got to tend to the business at home.

So I didn't have the time to go ahead. The winery wasn't owned by a big company, so I couldn't get away and spend time at the organization which I should have. I helped wherever I could, I helped develop their small, demonstration winemaking center. I decided to leave because I had some difference of opinion in the management style.

That's neither here nor there. Alis spends a little time there. I know she has some input; she does a lot of the Sonoma County tours. In any event, Alis has spent a lot of the time, and [Edward J.] Ned Carton, our sales manager, spent a lot of time on the road with the Sonoma County's tour, and I think that's had some positive effects. I think it's now kind of worn itself out somewhat. But again, this is just my opinion, just as the other offerings are my opinion. I mean, this whole thing is my opinion, obviously.

Hicke:

That's what we're here for.

R. Arrowood:

As I've gotten older, I have less interest in doing a lot of the internal organization work, because I find that again, it takes an inordinate amount of time, and I have other uses for my spare time, which might be called selfish, but at fifty years old, I want to take more time. This is no dress rehearsal; I'd like to enjoy life and partake in some of the fruits of the labor that I've given, so I'm going to spend the majority of my time here. I'll put my time in on the foundation board of directors of Santa Rosa Junior College, and I'll spend as much time as I possibly can contributing to what they're doing there. It's, I think, a darn good school. And as much as I can contribute to that, I try, both monetary and on a time basis. Eventually I'd like to set up a trust for students as sort of a system that will allow the students, if they're interested in agriculture, to be able to get some additional funds to help them out -- a stipend, whatever you want to call it, and we'll eventually do that, I think, as the time develops. We're getting closer to setting up some sort of a small foundation for Arrowood Winery; I'd like to do that.

But I'm spending less time in the other professional organizations just because they bore me in some respects, I guess is what I'm trying to say.

Hicke:

Well, sometimes it's not a challenge any more, after you've done it for a while.

R. Arrowood:

Yes, and maybe I just need to take a fresh outlook, but God knows, there are people like the Patrick Campbells of the world, and the Tom Hobarts of the world that do work very, very hard at putting things together. I may not always agree with what they're doing, but that's not the point. They are selfless individuals. I guess I could call myself a selfish individual in some ways, but I don't feel too bad about it. I'm saying that because it doesn't really bother me that much. I'm doing what I want to do, and hence, Alis does a lot of those other things, which you can talk to her about it. She contributes, I think, more today to those organizations than I do.

You know, obviously, if I can help in some area that I feel comfortable with, I'll do that, because of some of my contacts and things. If I need to bring an individual in that's a specific outside resource, I have some friends at NASA, and I know an astronaut there, and so we asked her to help dedicate the new Tracking Station at Santa Rosa Junior College. She happens to be a real wine nut, so she has become a close friend, and so if we have a dedication for the NASA SAREX tracking station at the junior college, I managed to get her to come out, and that's the kind of thing that I'm happy to do if I can.

I don't like to prey upon friendships on that basis, but if somebody says, "Hey, I wouldn't mind doing that," or "It would be fun to do it," fine, then we'll do those kind of things. And that's usually my contribution.

Hicke:

Well, I have a whole list of things you've belonged to at one time. Do you want to run down it?

R. Arrowood:

Yes, I can take a quick look here. Again, most of these are pretty much because of the politics involved; I'll support some of the ideas if they fit the business of winegrowing and it makes sense, but there's a balance, because there's a tremendous amount of political infighting between Wine Institute and Family Winemakers and the American Vineyard Foundation.

Hicke:

As you said, there's politics.

R. Arrowood:

Really, I just, I don't enjoy it, and I find it to be offensive, and so I just try to stay away from it. There's no such thing as a nonpolitical person, because your politics

are such that you support whoever you can. You never realize this until you start to have some problems and you need those politicians for friends, but if the politicians weren't involved in the first place way back when, you probably wouldn't have the problems you have. So it's sort of a self-defeating situation.

But as I said, I'm-not much of a diplomat, but I try to work within the bounds that I think are reasonable. I'm not a desperate, and I don't pronounce--I pronounce judgments like any other human being on others, I suppose, but I have no right to pronounce judgments on anybody else, and so I'm just as bad, I guess, as the next person, the way things are done. I don't feel, however, that I am a dishonest person in any way, shape, or form, other than sometimes I won't exactly say my feelings because I don't want to hurt somebody else's feelings, but I try to be as frank as I can.

And that's what's really important to me; I don't care whether other people like my attitude or feel I'm arrogant. I don't think I'm arrogant, but if they feel I'm arrogant, that's the way it is. I do feel it's important to me to know that they, at least, respect my abilities as a winemaker. That's important to me. And I also expect them to respect my honesty as an individual. I'm a person, that if I say that's where it is, I'll make sure it happens. I'll do the best I can to make sure it happens. If it doesn't happen, it's because it's beyond my control, not because I didn't try. Those are the important things in my life, I guess, on that basis.

### Thoughts on the Future

Hicke: Okay. Well, let me just ask you what you see for the future of Arrowood.

R. Arrowood: Well, yes. The future for me, the excitement is going to come by tinkering with some of the varietals, some of the different varieties of grapes that are being grown for us, let's say at Saralee's Vineyards and other spots, and having a chance to paint on some new canvas, that's all. That's the biggest excitement that I can see coming from the business from our side. We've thought about the idea of taking the second label larger and doing this and doing that, as far as making more quantity of it, but every time we come back to it, the old answer is, how much harder do we really want to

work? You have to always worry about chasing quality versus what we're doing right now, which is not chasing quality, but just embellishing the quality that we have to work with, and not worrying about whether or where we're going to get bulk wine or whatever.

So that we've kind of talked about, but we've sort of discarded it at this particular point, and I think our biggest excitement is going to come here just from focusing on making the wines better, focusing on making them different, not different for different's sake but different in a better way, if it's possible. And trying to make a bottle of wine that's worth the value that we're asking somebody to pay for it. If that happens, then I think we've become successful.

I want to have more free time so that I can spend time hunting pheasant and shooting sporting clays. That's really what I enjoy very, very much, and occasional trips to Alaska so I can do some fly fishing. Those are the things that fascinate me. The free time aspect of it is very important to me, so to make it bigger, it doesn't necessarily fit into that realm. I would rather just continue to focus on quality, complete quality, because I know Alis doesn't want to work harder and harder. She spends a lot of time running around the country, and although she's a gypsy at heart, because of her flight attendant time at Air Canada, I suppose; God knows why, but she doesn't mind. But I can tell when I talk to her sometimes, the travel is kind of tiring her out too.

You know--I should be careful how I say this--but it used to be, I would arrange my travel trips around what markets have to be developed. Now I find out which markets have the best sporting clay place where I can go shoot, so I can bring my shotgun, check it with the airline and bring it with me, sort of like golf clubs, so I can play. I'll go out and promote the marketplace, but now when Ned says, "Yeah, I need you in New York," I'll say, "Well, what's the nearest sporting clay place that I can shoot?" Then we can talk about a wine trip!

Hicke: That makes a lot of sense to me.

R. Arrowood: So that's sort of really what I'm trying to do, and that's what I've found. That's today. Who knows what it will be ten years from now? I don't want to make it sound like I'm not spending the time at the wheel here. I still am, and I still enjoy it very much, and there are parts of the business

that are still fun and very rewarding. When it becomes "not fun," we'll sell the winery, but we seriously don't have any plans.

So it's not a matter of having the extra money, it's just the challenges that are coming down the road. We're developing a new sales room, visitors center, which will be built this year. We've purchased the property next door to add a few more acres of vineyard.

Hicke: A separate building?

R. Arrowood:

Yes, actually, it will be kind of out in this direction. I've got the plans here, I don't know if you want to see that, but as we go along, I'll be happy if you want a copy of them, we can get it reduced down to size so you can see that we have plans. It will be very much in the same architectural style already here. It's something we need. We need a VIP place, a place where we can have a kitchen so if we want to take care of people for lunch or dinners, we can do that, and most importantly, have a central wine library, which we currently do not have. We have it spread all over the place right now. So we're going to build in a couple-of-thousand-square-foot wine library and put in storage for those wines, because I'd really like to be able to do that, and sort of pass it on. They always say don't leave your kids your wine cellar; leave them your money, but don't ever leave them your wine. I'd still like to leave them some great wines however.

Hicke:

[laughs] Well, I'd certainly like to thank you very much for the time that you've spent on this project.

R. Arrowood: Carole, it's been my pleasure.

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VII INTERVIEW WITH ALIS ARROWOOD: MARKETING AND DISTRIBUTION

# Getting Arrowood Winery Started: Cellar Work

Hicke:

Your husband already told me about your background and something about how he met you. So I think I'd just like to start out with what you do here at the winery. Let's begin at the beginning with what you started doing.

A. Arrowood:

All right. At the very beginning, I worked with the county on permits and things like that, before the winery was even built. Once the winery was built, I was slave labor in the cellars. [laughter]

Hicke:

Really?

A. Arrowood:

Yes. For the first three years, Richard was working full-time at Chateau St. Jean, and he would work evenings and weekends here. But we were in full operation. Our first harvest was the harvest of '87. Even before we had the right to occupy the entire building, we were allowed to occupy the cellars and one bathroom downstairs. So we harvested the crush of '87, and there were three of us. The assistant winemaker who is no longer in the wine business. And then Everisto, who was vineyardist and cellarman.

Hicke:

What's his last name?

A. Arrowood:

Everisto Chavez. And then myself. One of the reasons it was important to Richard that the winery be located within five or six minutes of Chateau St. Jean was so that when a load [of grapes] came in, it would be weighed at Chateau St. Jean, because we don't have a scale. So they would weigh it at Chateau St. Jean, and while they were weighing it, Richard would jump in his truck and come down here, and tell us the

load was coming, he would tell us what tanks he wanted it to go in, he would tell us what valves to open and close and the whole thing. The load would come in, he would stay here, because Richard examines every single load that comes through here. And he was here pretty much to see if the load was what he expected it to be, deciding what he wanted to do with it, and, I don't know if he explained this, but he tastes everything, and manipulates the fruit to see what condition it's in.

Hicke: Tasting the grapes?

A. Arrowood: Yes. By tasting he can better evaluate the grapes and then fine tune his plans for their vinification. Just really hands-on and very close to it. So at that time, I was doing sugar--

Hicke: When you say doing sugar, you were testing the Brix?

A. Arrowood: Yes. As the grapes were crushed, I would take samples of the juice at random times, just to see what the average worked out to be as far as sugar and acidity and things like that.

Hicke: Does it vary much?

A. Arrowood: No, not usually, but it may vary from one bin to another, by maybe one degree, and it's the overall average. Usually it's very close to what the growers say. He's been working with our growers for a very long time, and they know exactly what he's looking for. So it's probably more important with new growers, because it takes a while for everybody to be on the same page.

As soon as the load was crushed, he would jump in his truck and go back to Chateau St. Jean. He had told us what he wanted us to do, what to inoculate, and how to do this and how to do that. Of course, Alan Keezer, the assistant winemaker, understood what we were supposed to do, so it's not as though we were blind when Richard wasn't there.

We would work the full day and do what we were supposed to do, then Richard would come back at the end of the day and spend another hour or two going over what we'd done, making sure everything was okay.

Hicke: What happened to the juice?

A. Arrowood: To the juice?

Hicke: Yes. Did you have the rest of the facilities to make wine?

A. Arrowood: Oh, yes. We had the tanks and we had barrels. That was it. So we could crush into the tanks, in the case of the reds--in case of everything--and then inoculate and start the fermentation, and then we'd barrel down in the case of the whites for the barrel fermentation, and the fermentation of reds would take place in the tanks. So for those first three years, that was my job plus cleaning barrels, cleaning the press, doing all of the things that people do during harvest.

And it was wonderful for me. I've always been a bit of a tomboy, so it satisfied that side of me. I'm a better number two than I am a number one, so it worked very well, Richard would tell us how and what to do and then we would do it. Then when it was time to bottle, I worked on the bottling line. Because I liked mechanical things, the labeler became my machine, and I was the one who would take it apart if it was not functioning properly, and would clean it at night and put it back together again. So it was fun, it was terrific.

Those were the first three years. It was really handson working in the cellars. For the first year and a half, I
worked full-time in the cellars, and after that, I worked
part-time in the cellars and part-time in sales, because by
the spring of '88, we had wine to sell. But we didn't have
very much. My responsibility and the agreement between
Richard and me had always been 50-50. We would invest 50-50,
we worked the load 50-50. He makes it, I sell it.

#### Sales

Hicke: How did you go about selling your first bottling?

A. Arrowood: The first bottling was really sold through Chateau St. Jean, and at that time, they were acting as our broker. By then, Chateau St. Jean had been purchased by Suntory International, and they were representing Arrowood, because they already had a channel in distribution for Chateau St. Jean, and all of the buyers knew who Dick Arrowood was. It made more sense to go through that channel. So my job really was to work with the salespeople at Chateau St. Jean and go door-to-door with them, work their routes, and call on accounts.

Hicke: You just went along with them to talk to the distributors or

the--

A. Arrowood: In California, it was direct sales, so we would go to the restaurants and the retailers, taste with them and try to

convince them that they wanted Arrowood on their wine list.

Hicke: How did you persuade them?

A. Arrowood: Back then, I took advantage of Richard's reputation at Chateau St. Jean. I took advantage of their knowledge of the quality of his product, and also offered them an opportunity to taste the wine. I really believe that no matter how much you praise and talk about the wine, what it tastes like is really the final point, and the wines were beautifully made, so there was really no objection. And the objection may have been, well, they're a little high priced and not a lot of

people know what the Arrowood label is.

# Pricing

Hicke: That was going to be my next question: how did you determine the price?

A. Arrowood: The pricing was determined on many things. One of them was based on where we got our fruit, what it cost us to get the fruit, based on Richard's reputation, and also at that time you had to take the overhead into consideration. But mainly, it was the quality and what it took to produce that quality. All the steps that Richard went through to produce this wine put it in a top quality level, and we felt that our competitive universe was somewhere around \$16, \$17 a bottle for the Chardonnay, and around \$20 for Cabernet Sauvignon.

We believed at that time, and so did the wine trade, that really the wines were underprized for the quality we offered. We wanted to make sure that we would exceed people's expectation. That's something that is stimulating to Richard, and it is something that he strives for. He not only wants to be in the upper echelons of quality, but he likes to exceed people's expectations.

Hicke: I'm sure that's a big part of your sales.

A. Arrowood: I believe it, very strongly. These wines are definitely a luxury, they are wines for a special occasion, unless you're

a wine collector or somebody who's made wine a hobby. There would really be no reason for you to buy Arrowood, unless somebody said, "Try this, it's really good." It's priced above \$30 in the case of Cabernet Sauvignon, and if you're in that price category, it's very, very important that, year after year after year, the quality be consistent and definitely more often than not exceeds the expectation.

Hicke:

Well, the quality consistency is one thing, but that's not the same as saying that the flavor is consistent year after year.

A. Arrowood: No, you're right, it's very different. This would have been a good question for Richard to answer, but I'll answer it the way I normally would when I'm on the road, with the information that I have. My understanding is that there is-and even I with an average palate recognize it--there's a definite flavor profile in the Arrowood wines, and that flavor profile comes from the grapes you get, and their profile comes from the soil they're grown in, the climate they're grown in, the clone that they're grown from. And so because Richard works with thirteen to fifteen different vineyard lots, and he keeps each one of those--has he explained this to you, how he makes his wine?

Hicke:

Right, yes.

A. Arrowood:

Okay. So because there are all these different vineyard lots and he keeps everything separate, he goes through and he tastes to see how everything is developing, and will towards the end make the final blend. When he first went out to these vineyards and signed long-term contracts, he selected these vineyards because they had a particular flavor characteristic that he really liked and that would contribute to the final blend.

So although the flavor may vary slightly based on the quality of the vintage, the similarities remain consistent from year to year. One vintage just may have been a better quality than other years. But, in a blind tasting, you would probably say, "I think this is an Arrowood Cabernet Sauvignon."

Hicke:

Okay. So there's a certain amount of flavor consistency as well.

A. Arrowood: Right. For instance, some Cabernet Sauvignons have a bell pepper character every year, or have a minty characteristic to them, and you would say, "Oh, this is a very eucalyptus or a very minty Cabernet Sauvignon; I think it belongs to suchand-such and such-and-such a winery." And you would say, "This has that black cherry, dark chocolate, coffee kind of character. This must be Arrowood."

# Growth of Sales and Distribution

Hicke:

Okay. Well, we started to talk about how you began the distribution. Can you tell me how that evolved?

A. Arrowood:

Oh, yes. [laughter] It changed. It started out with Chateau St. Jean, and working side by side with the salespeople from Chateau St. Jean. When Chateau St. Jean moved their distribution from the winery to a distributor, Southern Wine and Spirits, we were approached by Southern Wine and Spirits, and I'm not real sure why. I sometimes get the feeling that Southern Wine and Spirits took Arrowood as one of their brands because they were afraid if they didn't take Arrowood, they wouldn't get Chateau St. Jean. I'm not sure what the story is there.

And the reason I question it is based on how they then proceeded to sell it. What Southern Wine and Spirits did is they went ahead and purchased their entire 4,000 case allocation in one purchase, just boom, which gave us a tremendous cash flow. And at that time, they had 100 salespeople on the street, upwards of 100 people selling the wines. And we thought, This is fantastic. We're in heaven. We have the money, we have the sales force, we're all set.

What we didn't realize at the time was that there are a lot of wines in Southern Wine and Spirits's book, and there are a lot of pressures to sell much more "important" brands, and by important I mean larger volume, therefore more income for the distributor. Arrowood was just a small thing. And they proceeded to try to sell it, but they didn't. They were very unsuccessful at selling the wines, to the point where about a year and a half later, I had to walk in with management and say, "I'm very sorry, but we can't afford to do business with you any more, because at this rate, we won't be able to release any new vintage until 1995," and this was in 1991.

So it was very difficult, and we had an agreement at that time that said we would buy back whatever wines that they had. We were afraid that if a distributor ever stopped selling our wines, they could discount it and sabotage the label, so Richard and I in our contract had said, "And we want first opportunity to buy the wine back from you." So we bought back 1,000 cases of wine at \$134.50 a case.

We went from having a fabulous cash flow to not performing the way we thought we would. And at that time-did Richard explain to you about the banks and everything?

Hicke:

Oh, yes, he told me about the banks.

A. Arrowood:

Okay. Well, that was the beginning of a terrible time, because then the bank looked at our performance and said, "You didn't do what you said you'd do, therefore, we'd rather you find a different bank." And we knew that it was because of this isolated incident, and there was no way that we could convince them that it wasn't going to happen again. We've never again put so many eggs in one basket. We learned it early on, and we learned it well. But boy, that was a painful one.

Hicke:

You learned it the hard way, though.

A. Arrowood: Yes.

So from Southern Wine and Spirits, we went to a broker, California Wine Marketing, which is currently our broker. They have twenty salespeople on the street.

Hicke:

Can you explain the difference between a distributor and a broker?

A. Arrowood:

Oh, yes, I'd be happy to. A distributor would be a large organization that has its own sales force, and the distributor purchases the wine from the winery, paying for it, and then selling it to the retailer and to the restaurateur. A broker has a smaller sales force, and never takes possession of the wine. They take a commission on whatever is sold. So their salespeople will also go out, get the order for the wine, but will place that order with the wineries. We make arrangements to ship, and we make arrangements to collect on the account, as opposed to having a distributor just give us one big fat check and not worrying about it—thinking that you don't have to worry about it. We've realized that you do.

Hicke: Yes. So you've switched to a--

A. Arrowood: A broker, California Wine Marketing.

Hicke: And how did that go?

A. Arrowood: We also have another broker called Vino Yes. Vino Yes is north of Marin County, and California Wine Marketing is in the rest of California.

And the way it works is pretty much back to the way it was when we were selling through Chateau St. Jean. We now go out and work side by side with the salespeople. This is a good team; they do a good job. It's not necessary for me or for Ned [Carton], our national sales manager, to go out and work with them on a weekly basis. And so they go out every day, and they knock on doors, and they sell Arrowood along with other wines.

Hicke: How do they decide which wine to sell where and when?

A. Arrowood: Oh--[laughter] we're still trying to figure that one out. They receive guidelines from the wineries. For instance, Arrowood Winery believes that it's important to have at least 50 percent of our wines in restaurants and the other 50 percent in retail stores. Ideally, it would be 60 percent in restaurants, 40 percent in retail stores. So what we do is we tell them that we want distribution of restaurants, but the price point of a wine automatically determines where they can and can't sell it. It doesn't make sense for them to sell a \$24, \$25 bottle of Cabernet Sauvignon in a 7-ll [store]. But ideally, if our wines can be served at the Ritz Carlton, or if they can be served at Mixx in Santa Rosa, where somebody would spend that kind of money for a bottle of wine, that's where we want to be.

Ideally, you want your wines to be a source of income for the customer, meaning the restaurant or the retailer. If your wine, no matter how delicious it is, sits on the shelf or sits in the back room, that's not good, because for month after month, they go in there and look at that space which is filled by your wine, not generating any income, and it's frustrating. So, what you want to do is try to place your wines somewhere where there will be movement and revenue generated.

### In the Marketplace: Life on the Run

A. Arrowood: What you do in order to stimulate that wine movement is try to have a wine tasting with the waiters and waitresses of a

particular restaurant, so that if a customer comes in and says, "What would you recommend in the way of a Cabernet Sauvignon?", they want to say, "Arrowood. I know the people there, I've tried the wines, they're delicious, you'll be very happy. If you want to pamper yourself, this is the wine."

And that's what my job is. My job is to go out around the country and to meet with the wait staff and say, "Okay, taste this wine. This is what it tastes like." What you want to do is tell them what are the positive aspects and the benefits of having this wine on their wine list.

Hicke: How much of the time are you on the road, then?

A. Arrowood: Less now. I'm on the road probably twenty weeks out of the year.

Hicke: That's a lot.

A. Arrowood: It is a lot. And my goal is to get it down to fifteen weeks out of the year. But as you can see [pointing to wall], my calendar is just full; I'm the one in red on the calendar. But I like it. I don't like being gone for two weeks, and I don't like being gone twenty-six weeks out of the year the way it used to be. That's too much. But if you take a look at my office, you can see I'm useless in an office environment. I work hard, but I'm not half as productive here as I am when I'm out on the street selling wine. That's really what I'm good at. So it's important for me to be able to get out there, and I'm happy when I'm selling wine.

Am I happy being away from home and staying in a hotel? Not really. But it's good for me to be gone once in a while, because as the husband and wife team--we work together, we play together, we live together, and every now and then we forget how brilliant the other is; so it's good to be gone for a week and to have your memory refreshed. It works out well for us.

Hicke: Do you find it difficult to leave the business here at the winery when you go home?

A. Arrowood: Yes.

Hicke: In the evening, for instance?

A. Arrowood: Yes, but we've been working on that for a long time. When Richard and I first met, I was in hospitality and sales for

another winery, and he was in production for Chateau St. Jean. And you have to realize that sales and production rarely agree on how things should be done.

Hicke: Yes, I can see how difficult that is.

A. Arrowood: So early on in our relationship, we recognized the differences in our personalities which made us attractive to each other, but we also discovered that if we spoke about our jobs in depth, we would have problems. So we started early on in our relationship, before we even started working together, not making that a focus and not making home the place where you get rid of whatever is bothering you at work. And it's worked very well for us.

Hicke: Back to your life on the road: can you tell me about a typical day or routine?

A. Arrowood: Yes. Usually I fly out on Sundays, because I like to be in the marketplace when the week starts. And I've learned over time that it's best for me to fly in so that I am alone in the evening, have time to unwind, and don't have to worry about having to get to a meeting. I used to fly in and go to a meeting right away, and that was too stressful. So I come in the day before.

I start my day early, usually nine o'clock on the East Coast, and nine o'clock on the East Coast is really six o'clock for me. So I have a little bit of trouble with the time change, but if I want to be productive, that's when I start. And usually, it's sales calls in the mornings to either restaurants or retailers, with the sales force of the distributor in that particular area.

For instance, I just got back from Texas. So I arrived in Dallas Sunday night. Monday morning, I started working with a sales manager, because managers don't have a set route, whereas salespeople do. And salespeople don't sell only Arrowood; they have several wines that they sell, so not all of their accounts would be Arrowood accounts. And their set route for Monday might be to call on one place that would carry Arrowood and six places that would never have anything to do with Arrowood.

So by working with the sales manager, I can do what's called high-spotting. I would go to four or five different salespeople's accounts that would be primary Arrowood accounts. My day would begin early in the morning, and I

would call on accounts, usually retailers, because restaurant people aren't there until, say, about eleven o'clock.

Then a few restaurants, then lunch with either a prospective account or a current account to thank them, and usually it would be at a restaurant that currently carries Arrowood, so that I could offer them the kind of support that they are for Arrowood by carrying our wines on the wine list.

And if it's the perfect day, then I have one or two preshift seminars or staff tastings--

Hicke:

Pre-shift?

A. Arrowood:

Pre-shift seminars: if you are in a restaurant somewhere between four-thirty and five-thirty, the wait staff will meet with the chef, and the chef will tell them, "These are the specials for today, this is what we're doing, these are the special groups that we have in," and they would give me ten minutes where I could say, "And this is one of the wines you carry on your wine list, and this is what it tastes like." Some restaurants will allow the staff to taste, some will not. Usually they taste. And then I will give them the high spots of the wine, and give them a few buzz words that will make them comfortable whether they know about wine or not, make it easier for them to suggest Arrowood when a customer says, "What would you suggest?"

And so that's perfect for me, because now I have eight people on the floor saying, "Arrowood, Arrowood, Arrowood," as opposed to nobody. And if I'm lucky, I have two of those in a day, and that, to me, is a successful trip.

Then usually in the evening, around seven o'clock there will be a vintner dinner, and that would be a dinner where the wines are paired up with the dishes of a particular restaurant or club, and I am the entertainment for the evening. People pay to have a nice dinner and a nice wine, and for me to say some things about wine. I prefer to make it fun and interesting rather than too technical and putting them to sleep.

I'm back in my hotel room by eleven, eleven-thirty, and it starts all over again the next day.

Hicke:

And the next day do you go someplace else, or do you have another day?

A. Arrowood: I try to spend two days in a particular city. In this case, I was Monday and Tuesday in Dallas, and Wednesday and Thursday in Houston. And on the days that I travel, I'm usually up by six, on the plane by eight, and in the new city by nine-thirty, ten o'clock, ready to start all over. On this trip, I was in Texas for four days and I had three vintner dinners and four days in the marketplace. It's tiring and exciting at the same time.

Hicke: So you're really "on" all day.

A. Arrowood: Yes.

Hicke: That is tiring.

A. Arrowood: Yes. And the part that I find difficult is, I get such an adrenalin rush when I do these dinners, because although I like to do them, it's always a little intimidating to speak in public, and to try to remember, Did I say this already, or was it last night that I said that? So I find it a little stressful. By the time I get back to my hotel at eleven o'clock, I can't go to sleep because I'm so wound up. And I'm usually starving because I didn't eat because I was busy talking the whole time.

Hicke: Do you keep a bag permanently packed?

A. Arrowood: I have a bag that is halfway permanently packed, yes.

##

# Expanding the Market

Hicke: Let me ask you now about how the production and sales and marketing expanded, and how you got it to expand. You started out with northern and southern California.

A. Arrowood: Yes. And also, we were very fortunate, because of Richard's long association with Chateau St. Jean and because Chateau St. Jean was well established in fifty states, just about. When we started the winery, we received phone calls from distributors, for instance, New York is the perfect example. We received a phone call saying, "Gee, Dick, this is so-and-so, and we've carried the St. Jean wines for fifteen years now. I hope you will allow us to carry your wines."

Hicke: That's impressive.

A. Arrowood: It was very exciting. The difficult part was with the second vintage, although the buyers of all those distributorships were thrilled with the wines and the quality of the wines, the consumer, who had been reaching for the Chateau St. Jean label for fifteen, sixteen years, now was faced with a new label called Arrowood. But they didn't know Dick Arrowood was the brilliant guy that made these wines. All they knew was Chateau St. Jean was a wonderful wine, and they would never be embarrassed if they served it.

> So when it was time to reach for the Arrowood bottle, they'd look at it and think, Well, Arrowood? Never heard of

Hicke:

Unknown.

A. Arrowood: Unknown. And, \$20. So I'm not going to--who wants to experiment with a \$20 bet? Not me. I'll spend \$20 on something I know, not something I don't know. So by the time we released our second vintage, the first vintage was still sitting on the shelves. And you know, the first sale is always easy to make. There's always a hook, there's always something you can say to get somebody to buy it. It's the second bottle--if you sell that second bottle, it's because you delivered everything you promised with the first one. But if it's still sitting on the shelf, who wants to buy the second vintage?

> So that's when I really started traveling, and my job was to go out there and talk to people, and talk to the sales force, and do public tastings, and really get people to believe in Arrowood. That took a full year of a lot of work, and then finally by the time we released our third vintage, more people recognized it, and the press was writing about it, things were going better.

> It was still an uphill battle, though. Every year, you'd look at your sales projections, and it says you're going to sell X number of cases, and you've only sold twothirds of that, and the month is almost over, and then you start calling your distributors saying, "Gee, I notice that you haven't bought any wine this month, and you bought two months ago, and according to the way things have been going, we think maybe it's time for you to order again, you're going to run out." And sometimes they'd say, "Oh, no, I still have a lot left."

Hicke: Oh, dear.

A. Arrowood:

Or sometimes they would say things like, "Well, we've been hoarding it because we were under the impression that it was going to run out." That was one of the biggest problems we had, was that the sales force who work for all these distributors were under the impression that Arrowood was such a small winery, they were afraid to put the wine on the wine list because they were afraid that in three months, somebody would say, "By the way, there's no more wine available." And the worst thing to happen to a salesperson is to spend three months convincing the buyer in a restaurant that this is a great thing to do, and then have to come back to him two months later and say, "I apologize, you have to reprint your wine list now because this wine is no longer available."

So my job was to get out there and, without convincing people that it was a mass-produced wine, convince them that there would be enough wine so that if a salesman stuck his neck out and said, "Buy it, it's worth it," we could back him up with enough product and not embarrass them. So the first few years were trying to find that fine line, and I spent most of my time saying, "If I have to UPS it to you, I promise you that you will not run out of this wine if you put it on your wine list, and I assure you that I am not in this marketplace making more commitments than we can keep."

And then it was convincing the distributor that he should maintain enough inventory in his warehouse so that when the salesman calls up and says, "Is there any Arrowood?" there would be enough there to make him feel secure. And that's where our national sales manger, Ned Carton, came in, whose name I'm sure you've heard more than once. His job was to call distributors up and say, "You have twelve cases in your warehouse, and you need to have a minimum of twenty-eight or fifty-six for your salespeople to feel comfortable," and the buyer would say, "But based on our computer, we're only selling twelve cases a month, therefore I don't need more than twelve."

You know, it's really sort of a give-and-take, and that's where personal relationships are important, where you can speak to the buyer and say, "Look, I know that the movement is only twelve cases this month, and it was only twelve cases last month, but that's because your salespeople don't think that they can sell it because they're afraid you're going to run out of it, so please trust me on this one. Please stick your neck out. Buy more than your computer says you should buy. Because I'll be in the

marketplace next month or next week, and I'll sell it for you."

That's what Ned and I were doing for the first three years: "Okay, if you buy fifty-six cases, I will be there next week and I will work with your salespeople, and you will get commitments that would assure that those fifty-six cases will move through your system, so that you won't look as though you've bought too much wine."

Hicke:

The other side of that, though, is that after you've promised them there will be more wine, you have to follow up and provide more wine.

A. Arrowood: That's right.

Hicke: And how do you work that out with the production end?

A. Arrowood:

You can't. You have to know what your production is, because the wine that I am promising today, it's what was made three years ago, or what was harvested three years ago. So I need to know I have X number of cases. If the number is 7,000 cases of Cabernet Sauvignon, then Ned and I need to sit down and say, "Okay, if we have 7,000 cases of Cabernet Sauvignon, a third of that remains in California for Californians." New York represents 15 percent of our sales, New York and New Jersey, so we'll--actually, that's not true. Thirty percent remains in California; 50 percent goes out of state. So that is the chunk of the pie that Ned has to work with. New York and New Jersey get 17 percent of just 50 percent.

And we try to project where we would like these pieces of the pie to be in five years from now. So if we have determined, as Ned and I have, that New York and New Jersey will represent 11 percent of our total sales, for instance, then whether we make 5,000 cases or 8,000 cases or 20,000 cases, New York and New Jersey will get 11 percent of that entire production. So we know what we have to offer, and we've reached the point now where they have, as Ned puts it, stepped up to the plate. They've made the commitments, but now the wine is on fire. So the requests for the wine are exceeding the piece of the pie that we've cut out for them and projected for them.

So now, we're finding ourselves backpedaling and saying, "I promised you this much, but you're asking for more. I can still promise you your ll percent. I can't promise you 15 percent. What I can promise you is that, if the state of North Dakota doesn't take what they're supposed to take--and

I'm not going to call them the way I did five years ago and remind them that they should be buying; I will hope that they will forget to buy, and forget to sell Arrowood, so I can give you their fifteen cases or whatever."

So that's what Ned and I are doing now--juggling the states, because we have I think fifty-three distributors. Some states have more than one, and some of them have brokers. So the most important thing for us is to focus on twenty key distributors and to supply these twenty key distributors. There are the small distributorships that buy fourteen or twenty-eight cases a year, and sometimes you have to call them up and remind them, "By the way, you haven't bought any Arrowood for six months. I think you should buy it."

What we've decided to do now is, if people don't buy it, whatever they didn't buy will go to one of those twenty key distributors. So if you in the state of Louisiana were allocated—that's the term that's used—if we allocated 56 cases of Chardonnay to you and 112 cases of Cabernet Sauvignon, and you only bought half of that, the half that you did not buy will go to somebody else, and next year, if our production doesn't increase, your allocation remains now what you actually did the previous year.

Hicke: That's the way it should be.

A. Arrowood: I think it's fair.

Hicke: So that now you've changed your techniques, but also, that's an excellent description of how it works. I really appreciate your going into that.

A. Arrowood: Oh, I'm happy to do it.

# Selling Grand Archer

Hicke: Now let me ask you about selling your second label. How does that work? Or is it any different?

A. Arrowood: The second label was never really part of the plan, and so when it came time to sell the second label, we didn't have this great marketing plan in mind. What we did have, however, were a lot of very good distributors, and it was a little bit like when we started Arrowood: you pick up the

phone and say, "I have this. Is it something that you can use in your marketplace? This is the price, this is the quality. I'll send you a bottle of it, you let me know if you want to work with it." The quantity was small enough that we could allow ourselves to do that. And if we wanted to, we could sell the entire Grand Archer production in a week by making a dozen phone calls.

But the concern that we had was this: because it's half the price of the Arrowood, and the Grand Archer label was released at a time when the Arrowood was still being established, we did not want to dilute the focus that was being put on Arrowood. So we kind of didn't talk about it and we didn't push it; we just sort of said, "This is something that we have that might be interesting to you, and we suggest that you sell it perhaps to a retailer that is doing a lot with Arrowood and maybe would like to have something special for the holidays or for its customers that's less expensive and that we don't need to guarantee continuity on." What we tell people is, "We have X number of cases this year. It could change next year. It could be more, it could be less. But we have this number of cases, the price is fabulous, it will be in and it will be out. You get first crack at it: tell me how much you want."

Some people say, "I'll take all of it," but we can't do that, because we're offering it almost as an opportunity to make money and a thank-you to our good customers. "You've been a good customer, you get first crack at it. You can have up to X number of cases." And some of them say, "You know, I'm really doing well with the Arrowood label. I'm afraid if I bring this in, my salespeople won't know what to do with it. I'll have to train them, I'll have to start all over again." And honestly, neither Ned nor I want to go into a marketplace and spend four days talking about the Grand Archer. It's not the focus.

But there are marketplaces, for instance in Canada, in the province of Ontario, where because of the currency exchange of the Canadian dollar, at this time a bottle of Arrowood Cabernet Sauvignon sells for \$30-some-odd a bottle. That's expensive. And that's at the retail level. Now, the owner of a restaurant, the way the system works there, he has to buy from the province, the provincial government, and he pays \$30 for the bottle of wine. He doesn't get a wholesale price. So the wine usually ends up being \$60 to \$80 on the wine list. That's a lot of money.

Now, there are a lot of private clubs in the province of Ontario. The Royal Canadian Yacht Club loves to have a special wine for their customers, and they call it the Commander's Choice. Well, they can't afford to have a \$60 bottle of wine there for their members. However, if they can get their hands on a quality like the Grand Archer and make it available as the Commander's Selection, they're very happy.

So every year, I get an order from our broker in Ontario saying, "I need 224 cases of Chardonnay and 224 cases of Cabernet Sauvignon for the Royal Canadian Yacht Club, and they will be serving your wine for the entire summer season." So it is blocked out. They can't take it all in one shot. So it goes out fifty-six cases at a time, and that's stretched over a period of almost a year. And for six months out of the year, Ned is howling at me, saying, "I need that wine, they want it in Texas. Are you sure they're going to take it? I could use it in New Jersey." But it's blocked out for them, because I know that it's a high profile, and it's recognition for Arrowood. They can't afford to have the Arrowood label, but the Grand Archer is just fine for them, and they recognize it as Arrowood. So there are some little niches.

For instance, some restaurants here in San Francisco, Postrio, which is a high-profile account, may not offer a \$25 bottle of wine by the glass, but they'll sell the Grand Archer. It's a delicious wine, and a lot of restaurants like to offer some new and unknown and limited wines to their customers.

Hicke:

If they can drink it by the glass, it's essentially an opportunity for the customer, an opportunity to try something new.

A. Arrowood: That's right. So that's what we do.

# Professional Associations and Activities

Hicke: Do you have a few more minutes?

A. Arrowood: Yes.

Hicke: Tell me if you get pressed. Dick said that he wasn't doing

much with such things as the Sonoma County Wineries

Association any more, but you are. Can you tell me a little bit about your associations, not only that one but maybe whatever else you're with?

## A. Arrowood:

Okay. For the first five or six years, I was very much involved with the Sonoma County Wineries Association, and we did every tour, every activity that involved Sonoma County. My personal opinion is that the Sonoma County Wineries Association has lost its focus, and we're not real sure any more what we're promoting, or how effectively we're promoting it. It's fine to promote Sonoma County, but--and I'm not a very creative person. I'm a nuts-and-bolts, common-sense person. But I believe that in the Sonoma County Wineries Association, we need somebody that's highly, highly creative, that will come up with these off-the-wall ideas, then half of us will spend our time saying, "No, that's too crazy, we shouldn't be doing that," but can come up with the kind of idea so that when you go into a city and do a tour and tasting, that there's a reason for people to show up at these events.

Things have changed, and the Sonoma County Wineries Association has not. For instance, fifteen years ago, people couldn't sample all the wines. The retailers and restaurateurs could not get samples of all the wines they wanted. So it was very exciting when Sonoma County's tour would come through and there would be twenty-five, thirty vintners. People would leave their restaurants and leave their retail shops and come out and taste these new wines.

Well, nowadays, the competition is so fierce that the sales force will bring the bottle to the restaurant and to the retailer and say, "These are the new releases. Do you like them? Buy some." Why would these people leave their place of business to come hang out and taste wines they've already had? They want to taste the bizarre, the new, the exciting.

If Arrowood, for instance, is on the road, I could probably get more attention if I poured Viognier at my table, and there are times I do it. But we only have 900 cases of Viognier available for sale. Why would I spend thousands and thousands of dollars riding around the country to have people taste Viognier? I'll do it because I want their attention, and I want to steal the show. If I'm in that group, I want to steal the show. So you bet I'll bring Viognier. I'll stick it under the table, and I'll say things like, "This is hush-hush."

Hicke: "For your ears only."

A. Arrowood:

That's right. And I know that my table is going to be mobbed, and I'll bring out things—and Richard and I get into these discussions every time. "Why are you pouring this wine? We don't have any." Well, the reason I'm pouring this wine is if I draw them to my table with Viognier, I can then use that lever and say, "Okay, I'll tell you what. I'll let you taste the Viognier, but you have to taste the Cabernet Sauvignon first, because it's fabulous. If you don't taste it, how are you going to know whether or not you should buy it? And I didn't come 3,000 miles not to sell you wine." So those are the tools I use.

But if the tour itself doesn't draw the buyer and the key customers, it doesn't do me any good to have the Viognier under the table and pull all these little tricks to get them to discover that there is such a thing as Arrowood. I don't want the 7-11 buyer at my table. If I had a \$3 bottle of wine, I'd be thrilled that he shows up. But that's not my buyer. My buyer is a high-end, high-profile account that gets catered to by the distributor. There's no reason for him to come out.

So at this point, I find that we're spending too much time and too much money putting a tour together, when the high-profile wineries that could maybe draw people out, that don't have samples available through their distributor, unfortunately, don't participate. So I don't have the ability to ride on their notoriety, or vice versa. And I don't mind sharing, I don't mind the fact that next to me are three other wineries that perhaps nobody cares about, but that will be discovered because they happen to be next to the table that has the Viognier.

And when they're there, I like to say, "I have Viognier, but have you tried their Sauvignon Blanc? We don't have Sauvignon Blanc, but when I drink Sauvignon Blanc, this is the Sauvignon Blanc I drink." Because it's positive. The more involved they become, if they buy this Sauvignon Blanc, it's a Sonoma County Sauvignon Blanc. My job is to promote Arrowood and Sonoma County, because my competition is everywhere, but especially outside of Sonoma County. If we draw them into the county, I have a better chance of getting my hands on that. If they're going to Napa, I'll never get to touch them.

So if they come over here for Kunde's Sauvignon Blanc, then I win, because once they're at Kunde's, they're going to

say, "Where else should I go?" Kunde is going to say, "Go to Arrowood. They have a great Viognier, or a great Cabernet Sauvignon, or go to Matanzas Creek." And it becomes a circle of friends.

So why am I not big on it? I find that that hasn't worked. I also think that the Sonoma County Wineries Association, because they don't have really creative people working there--and they work hard, don't get me wrong, but they work a little bit like I do when I'm in the office. They work real hard, but they're not the best at what they do. They need somebody to be creative, and then these nuts-and-bolts people that are working with the Sonoma County group could make it happen. They'd be terrific at making it happen, but they're spinning their wheels trying to come up with clever ideas.

Then they call people like me who don't have clever ideas. I can look at the idea and say, "That's great, yes, I'll be part of it." But don't ask me to come up with it. I've got a business to run. So we need somebody who can come up with the ideas.

The second problem is that we are a Napa wannabe. It's being run by people who can't come up with a better idea than somebody else did. So our auction doesn't have the glitz and glamour that the Napa auction does. All the big buyers go to Napa, and we just kind of put this event together with barrel tastings—do you know that at one point, Richard and I—our winery is very small, we can't afford to donate a barrel of wine. That's a lot of wine. That's twenty cases. We can't do that. So we had this really cute little barrel, actually a quarter of a barrel. We thought, Let's do this. We'll donate this little barrel and the wine that goes with it, and somebody who doesn't have \$10,000 to spend could bid on it. It could be fun." They refused our donation, because they wanted it to be full barrels. Well, that's absurd.

So now, remember, we cannot be a Napa with the big buyers, because they've already spent their money in Napa. So what we should do is have an auction where things are affordable so that the average consumer, like you and me, could afford to go and maybe find some fun things. A little expensive, but affordable, like a quarter-barrel of wine. That would be really exotic.

Well, they can't do that. So now what's happening is we have an expensive auction with nobody to spend money, because they've already spent their money. So the Sonoma Valley

group gets together and says, "We want to do this. We want to raise money for our hospital. You guys have thirteen different causes that nobody can identify. We have a cause that we think is important to us, so we're going to have our own auction, and it's going to be a spoof on all these snooty auctions."

So they have things like--I don't know, like a party, a barbecue, but you're not allowed to wear ties. You're not allowed to wear black tie, you're not allowed to get all stuffy. It's a barbecue, let's have fun. They have wine auction lots that are affordable. They will put together something like "Things reviewed by Bon Appetit magazine." These are things that the average consumer, who's not a wine geek, who doesn't read the Wine Spectator and the Wine Advocate, the kind of person that has wine as part of a healthy lifestyle, is interested in good recipes--

Hicke: Is this the Sonoma Valley Vintners?

A. Arrowood:

Sonoma Valley Vintners and Growers Association. And it's on Labor Day weekend. Richard and I look at each other every year and go, "Oh, god, do we have to do this?" But we do it, and it's fun. But it's put together by creative people. Mind you, some of the creative people who put it together are vintners, and there are some very creative vintners out there. Richard and I are not, but we will support the group. What's happening with Sonoma County Wineries Association, is that the focus has shifted, and it's ineffective. Yes, ineffective, I believe personally, so I don't really want to be a part of it.

Hicke:

What about the Family Winemakers [of California]? Are you part of that?

A. Arrowood:

Yes. The Family Winemakers of California is a very good organization from a marketing point of view. It's all small vintners, or there's the impression that they're all small vintners. The public is very interested in attending those tastings. They are probably some of the very best-attended tastings also for the trade, because a lot of the vintners that go to the Family Winemakers tastings don't offer samples of those wines on a regular basis.

And the tastings always focus on currently available wine and something from the past, so that even if you've had a sample of a current Arrowood wine this year, you'll also be able to taste the '88 Cabernet Sauvignon that was voted the best in California and hasn't been available for three years.

Let's say you have four cases in your cellars. Or you may have sold six bottles to your best customer. You can now say to him, "By the way, I tasted the '88 Cabernet Sauvignon that I sold you two years ago, and if you still have it in your cellar, hold onto it, because it's a dynamite wine. You can drink it now, but it's going to be even better in two or three years." Or, "I spoke to the winemaker personally and he said, 'Da.'" Because that's what the Family Winemaker focus is.

Hicke:

I see. Are there any others that you are particularly active in, any other associations?

A. Arrowood: No. I personally am not a very socially active person. I'm either on the road or hiding out. [laughter]

Hicke:

Understandably. Well, I actually think that answers most of my questions, unless you have something that you'd like to add. I really thank you for your time.

A. Arrowood: Oh, I'm happy to do it. I hope it made sense. I have a tendency sometimes to get off on a tangent and ride my horse.

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# Mead On Wine

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ARROWOOD ON TARGET—Richard Arrowood is pure and simple one of the great winemakers of the world. It's hard to believe it has been more than 20 years since I first met the strapping young man (historian Leon Adams called him cherubfaced at the time) who opened Chateau St. Jean as the property's first full charge winemaker.

Those were days of enthusiasm and experimentation, of learning the secrets of some of Sonoma County's greatest vineyards, many paid tribute to in dozens of vineyard-designated wines. Arrowood and St. Jean made some vineyards and growers as lamous as the Chateau itself, names like "Robert Young Vineyard" and "La Petite Etoile."

Arrowood was best known for his white wines at the the Chateau and he was one of the earliest successful producers of late harvest, Botrytised dessert wines in the German style that commanded prices as high as \$40, which was a bundle in 1975 and on a par with prices commanded by European counterparts.

Ego and ambition should have sent Arrowood out on his own sooner than they did, but the St. Jean association was a long and generally pleasant one. Walking away from that kind of relationship wasn't easy, and Arrowood actually juggled Winemaster duties at St. Jean for a couple of years after opening his own place. The fact that wife Alis had an impressive background in wine marketing and was a full working partner and investor made it possible.

Arrowood still focuses on great vineyards, but for the most part he now blends several together with spectacular results rather than making a series of individual vineyard wines.

And another new thing...some critics, this one included, think his red wines are now even better than the whites that made him famous.

Arrowood 1991 "Sonoma" Cabernet Sauvignon (\$24.50) Words are inadequate to describe this absolutely delicious red wine. Spicy berry and cassis flavors for a start, with a tart cherry middle, followed by sweet oak and spicy, cedary complexity. Silky, supple, velvety texture and finish. After-flavors that just go on and on. Great now and can only get better with some cellar time. Rating: 97/88

Arrowood 1993 "Russian River - Saralee's Vineyard" Pinot Blanc (\$25) Most of the wine labeled Pinot Blanc in this country is actually made Irom a grape called Muscadet. (It's a long story that I've told before and will tell again, but take my word for it this time.) The real Pinot Blanc is

By Jerry D. Mead

Vol. #F, #47

basically an albino version of Pinot Noir, with the same tiny berries, grape clusters, leaf structure and all. That's what this is, and it's from what may be the only documented one acre of pure Pinot Blanc in California. If this is what it's about, pull out all that Viognier people are planting and give us more of this exciting grape. Wow! Lush, rich, Chardonnay-like but with its own character, too. Very pineapple-y, barrel sweet and with lots of vanillin. Only 300 cases for the world. Expensive but worth it for the experience. Rating: 98/82

Arrowood 1993 "Sonoma" Chardonnay (\$18) One hundred percent barrel-fermented and, for the technically oriented who care to know, 100 percent underwent malo-lactic fermentation. Fined but not filtered. Citrus and pineapple fruit with lots of oak vanillin. Bouquet and aftertaste both provide notes of toasty oak and a hint of something reminiscent of roast coffee beans. As tasty as it is, it will be even better a year from now. Rating: 88/84

Arrowood also has a second label called "Domaine Du Grand Archer," which is different than most second labels. While many wineries buy wines on the bulk market to sell under second brands, Grand Archer

wines are 100 percent made at Arrowood and are simply wines that didn't quite meet the standards of the first wine. Some of them are so good you wonder why they didn't pass muster.

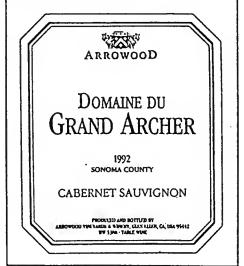
Grand Archer 1993 "Sonoma" Chardonnay (\$10) Less ripe and rich than that of its stablemate, the fining (clarification) didn't leave it as brilliantly clear. Its slight haze doesn't affect the taste and is the risk a winemaker takes when he chooses to avoid as much processing as possible. Grapefruit and citrus flavors and more of that toasty complexity, which is rarely seen at this price. Crisp and bone dry. Rating: 83/86

Grand Archer 1992 "Sonoma" Merlot (\$10) There were only 400 cases to begin with and it has been in the marketplace lor about 30 days. Track this one down fast. Even the winery is almost sold out. A steal deal, and good enough to be most winery's first label. Soft, rich, ripe, black cherry flavors. Mouthfilling; supple; lots of flavor. Rating 88/95

Arrowood wines are available in about 20 slates, but usually only at better restaurants and wine shops. Largest production is of Cabernet and Chardonnay. Merlot and Grand Archer wines will be more difficult to find. For nearest retail outlet contact: Arrowood Winery, Box 987, 14347 Sonoma Hwy., Glen Ellen, CA 95442 (707) 938-5170.

# BEST BUY WINE OF THE WEEK

Grand Archer 1992 "Sonoma" Cabernet Sauvignon (\$10) Ripe plum, berry and cassis, with a little chocolate and anise for for complexity. Full bodied and substantial; firm backbone but the tannins are not harsh or astringent. Bittersweet chocolate finish. Won't be embarrassed in the company of wines commanding twice the price. Rating; 85/92



# Appendix B Vine Spectator

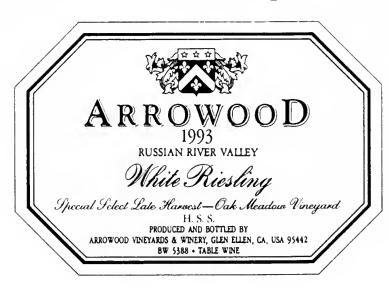
APRIL 30, 1995

# **Highly Recommended!**

... Sweets for the Sweet...

Richard Arrowood continues to make California's finest late-harvest Rieslings.

of 100 points



# ARROWOOD

1993 WHITE RIESLING, Special Select Late Harvest Russian River Valley, Oak Meadow Vineyard

Gloriously sweet, rich, supple and complex, this wine is even more of a mouthful than the name. A dessert wine from California that unfolds a many layered swirl of honey, caramel, apricot, pear and exotic tropical fruit and spices, all balanced gorgeously on a fine thread of acidity. Wonderful now, but should be fine through 1998, or even 2000. Classic.

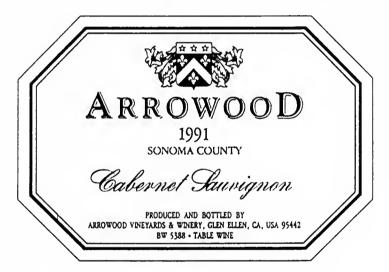
THE ASHINGTON-PICKETT WINE REVIEW

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1994 Vol. 1, Issue 11

# "How Lucky Can You Get?...

...Very Lucky if You're Looking for Wines That Taste Wonderful...
and are Value-for-Money!"



# ARROWOOD

1991 Cabernet Sauvignon, Sonoma County

..."Sir Richard of Arrowood" (Richard Arrowood is the owner and winemaker at Arrowood Winery) has released another stunning Cabernet Sauvignon that's made for the now...and beyond! .....It pours gracefully into the glass, showing a deep, dark cordovan color. .....The boquet is a sophisticated aroma of cedar and cassis with a light blend of herbs. .....It is a skillful blend of Cabernet Sauvignon, Merlot, Cabernet Franc, Malbec and Petit Verdot grapes, which is the formula for a world-class French Bordeaux. .....The tastes of rasberries, cherries, blackberries, and a little black currant are the by product of such a blending. The tannins, at first, are just a little sharp, so try this: .....Fill a glass three quarters full, then leave it for just ten minutes. .....On your return, you should find it soft, smooth and heavenly!

On Christmas morning, this is the sort of wine that I know the gods will be hoping to find in their stockings!

# THE UNDERGROUND WITH E UNDERGROUND TO THE FINEST WINES OF THE WORLD

Volume XIV, Number 6

January 1993

# **Selected Barrel Tasting Notes**

Arrowood. The 1991 Viognier "Sara Lee's Vineyard", Russian River Valley, medium yellow, has a perfumed nose of peach/pear/pineapple/rich lime/citron and very rich flavors of peach/pineapple/ citron/citrus. It has very good balance, style and a medium long, lingering peach/ pineapple/lime finish (0). The 1991 Chardonnay, Sonoma County, medium yellow, has a perfumed nose of pineapple/ apple/citrus (lime peel)/vanilla. The flavors of tropical fruit/apple/peach/pear are rich and harmonious with firm acidity, good balance and a long, lingering tropical citric, vanilla-toned finish (O). The 1990 Cabernet Sauvignon, Sonoma County, dark ruby, has a perfumed nose of jammy black cherry/currants/vanilla/ spice/blackberry/chocolate/hint of pepper. The black cherry/currants/berry/ chocolate flavors offer some vanilla. It has great balance, style and a long lingering, spicy, fruity finish (0).



# Dam Frameisto (Chromicht

WEDNESDAY, JULY 28, 1993

**50 CENTS** 415-777-1111

# VINE OF THE WEEK

Arrowood Vineyards Viognier, 1992

Vineyards: Russian River Valley, Sonoma County

Of the half-dozen or so Viogniers made in California, the that softens the tart structure and leaves a rounded, satisetal, this new release is hard-edged, and a bit on the lean new Arrowood is at the top of the list. Typical of the varilong, echoing mid-palate fruit and an engaging spiciness bly fewer than 50 acres of Viognier planted (out of total Rhone Valley of France. In California, there are probafying taste. This is a wine for experienced wine drinkers Viognier is a rare grape, even when it's at home in the side in its opening flavors, yet it explodes in the mouth with intense apple and pear flavors. The finish is very wine grape acreage of around 350,000 acres)



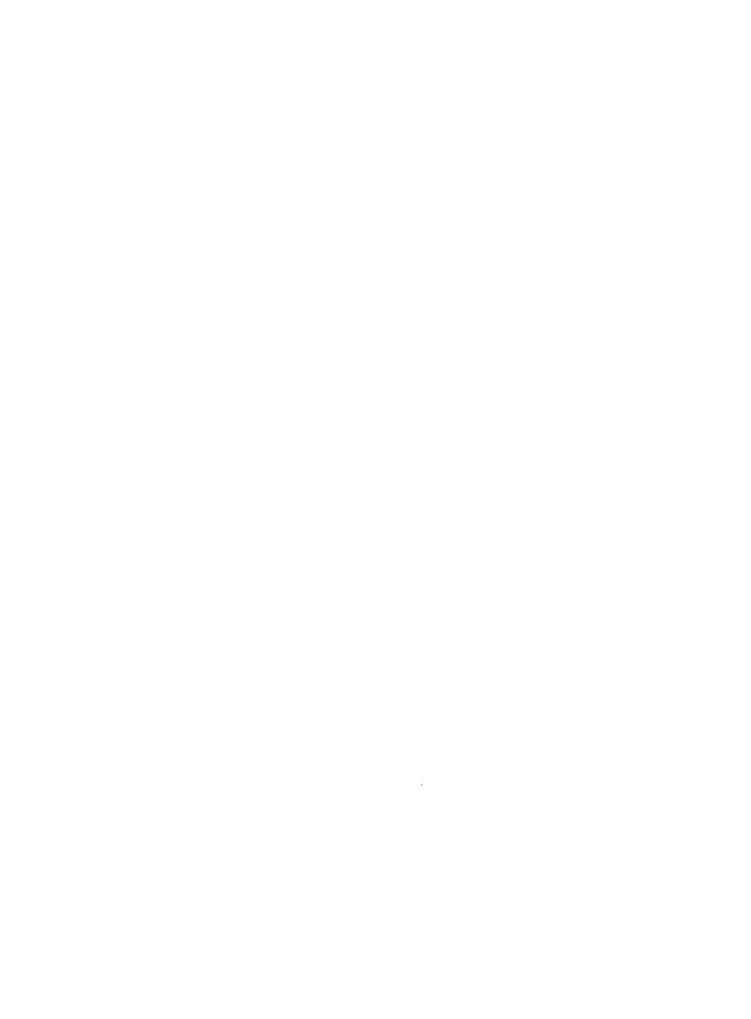
looking for something a little special.

- LARRY WALKER



# **CURRENT RELEASES**

1994	Chardonnay	750ml	\$ 20.50
1993	Chardonnay Cuvee Michel Berthoud	750ml	\$ 23.75
1994	Viognier	750ml	\$ 25.00
1992	Cabernet Sauvignon	750ml	\$ 24.50
1992	Merlot	750ml	\$ 27.50
1994	Special Select Late Harvest White Rieslin		\$ 27.50
	RESERVE SPECIALE	<u>WINES</u>	
	1.5L bottle si	ze	
1990	Cabernet Sauvignon		\$ 71.25
1991 1992	Cabernet Sauvignon Chardonnay		\$ 71.25 \$ 50.00
1772	onar <b>zo</b> mia,		
	3L bottle siz	e	
1989	Chardonnay		\$120.00
1989 1991	Cabernet Sauvignon Cabernet Sauvignon		\$180.00 \$180.00
1771	caper net sauvignon		4100.00
	5L bottle siz	е	
1985	Cabernet Sauvignon		\$518.00
	6L bottle siz	е	•
1987	Cabernet Sauvignon		\$471.00
1989	Cabernet Sauvignon		\$420.00
	DOMAINE DU GRAND ARC	HER WINES	
1993	Chardonnay		\$ 9.95 bottle



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Interviewer-editor, Regional Oral History Office, University of California, Berkeley, 1985 to present, specializing in California legal, political, and business histories.

Author: Heller, Ehrman, White & McAuliffe: A Century of Service to Clients and Community, 1991; history of Farella, Braun & Martel; history of the Federal Judges Association.

Editor (1980-1985) newsletters of two professional historical associations: Western Association of Women Historians and Coordinating Committee for Women in the Historical Profession.

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